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PANKSTINE

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PALESTINE JAN Polestine til 2140 of 23 Dec.

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10 Ton 1947 aposition to instructions conveyed in 80. **FROM** Dated Received in Registry } Last Paper. (Minutes.) References. An.P.P. B.O.t. 1875 ADet 3 143.21/ (Print.)(How disposed of.) 61862(Action completed.) (Index.) Next Paper.

32003 F.O.P

F538

INWARD TELEGRAM

E 347

Cypher (0.T.P.)

FROM PALESTINE (General Sir A. Cumninghem)

TO S. OF S. COLONIES.

Surretary of Stole Str G. Jater R. C. L. Turnes

need bottottatati

D.23rd December, 1946. R.23rd " "

16,20 hrs.

No. 2170 Top Secret.

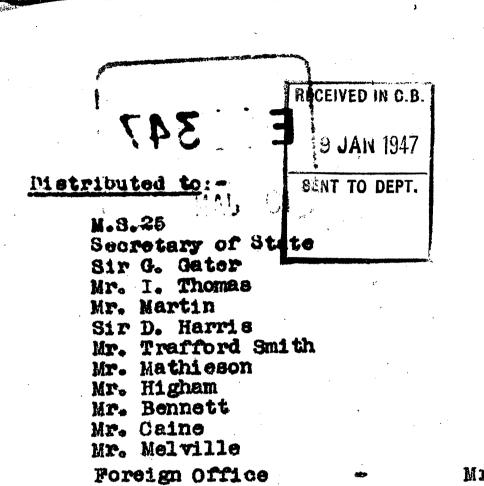
My savingram No. 1737.

Arab boycott in Egypt.

Nothwithstanding the (?opposite) instructions conveyed in your telegram No. 1875, there has been no change in the position. No reply has been received to representations made by Biggs personally on the advice of His Majesty's Embassy, Cairo. Egyptian authorities are flagrantly in the wrong and I urge that His Majesty's Government should bring this home to them and make it quite clear that unilateral discriminatory action of this sort cannot be countenanced.

- 2. Apart from the arguments already used in your telegram under reference, the attitude and action of the Egyptian authorities are indefensible. On economic grounds, Egypt would have much more to lose than Palestine if this Government were compelled to adopt official retaliatory measures, since the balance of trade over the past ten years is markedly in favour of Egypt.
- conference held on 12th December, Doctor Khalidi is reported as saying that the Committee "had been able to assure consignment of goods to be despatched from Egypt that would remove dependence of Palestine Araba on Jewish goods. Such imports would, in due course, also arrive from other Middle East countries under the direction of the Higher Committee, who would distribute them amongst consumers at reasonable prices. Arrengements were under way to make the boycott very much more effective than it had ever been hitherto".

Distributed to: -



Mr. H. Beeley.

3A

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OUTWARD TELEGRAM

347 344 31

Cypher (O.T.P.)

INDEXED

TO PALESTINE (Gen. Sir A. Cunningham)

FROM S. OF S. COLONIES.

sent 3rd October, 1946. 11.15 hrs.

IMPORTANT

No. 1875

Following from Foreign Office addressed Cairo No. 1733 2nd October repeated Beirut No. 716 Jedda No. 411 Bagdad No. 887 and Palestine. Begins.

Your telegram No. 285 Saving (of 10th September) and your despatch No. 1024 (of 20th September: extension of the boycott of Palestinian Jewish goods to transit trade).

Extension of the boycott to transit trade would appear from enclosure to your despatch No. 1024 to result solely from interpretation now placed by Director-General of the Egyptian Customs on instructions issued to him last January and I am concerned that this should happen at this juncture.

2. I shall be glad if you will take the matter up strongly with the Ministry of Foreign Affairs. You should remind them that His Majesty's Government protested. against the boycott last February, when they pointed out that it was their duty to protect the interests of all sections of the population of Palestine irrespective of race or creed and expressed strong disapproval of any

/measures

P.W.

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371 61862

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measures which discriminated unfavourably against firms or individuals in Palestine. His Majesty's Government have est in any way modified their view concerning the boycott, which they regard as a contributory factor to the tense state of affairs existing in Palestine to-day. You should go on to say that His Majesty's Government consider it most unfortunate that there should be an extension of the beyeott to goods in transit through Egyptian ports at the very time when His Majesty's Government are seeking to find a moderate and equitable solution to the Palestine problem. Such action in an Arab state only strengthens. the hand of those elements which maintain that no solution can be found through co-operation with the Arabs which will adequately protect legitimate Jewish interests in Palestine. You should therefore express the hope that immediate instructions will be given to the Director-General of Customs to cease the boycott of goods in transit. Ends.

Circulated to:-

Secretary of State
Sir G. Gater
Mr. Creech Jones
Mr. J.M. Martin
Mr. Trafford Smith
Sir D. Harris
Mr. W.W. Clark
Mr. Caine
Mr. Melville
Mr. Wall
Mr. Bigg
Accounts Branch
Mr. Horne
R. 301.
Foreign Office

- Mr. H. Boeley.

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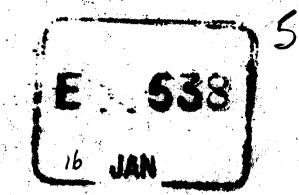
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PALESTINE

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Dated W' Beeley.	relationed measures on the france
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16 Jan 194	y roes through and bountries.

Last	Paper.

347

References.

(Print.)

(How disposed of.)

(Minutes.)

Sa Mr. Howis minules wething. We

can await the C.O. letter.

14.13.17/

(Action completed.)

(Index.)

Next Paper.

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1 2 3 4 5 6 Reference: 5 371/61862

Arab Boycott of Palestinian Jewish Goods.

E. 538

6 JAN

- 1. In accordance with a decision taken by the Arab League in December 1945, the Arab Governments imposed a boycott on Jewish goods from Palestine at the beginning of this year. We have not received any information about the effect of this boycott since February, but the Colonial Office have informed me over the telephone that the Palestinians exports to the Arab countries in 1946 were 75% less than in 1945. The boycott is probably not only all the cause of this decline; the Arab countries are now able to obtain commodities of better quality and lower price from their pre-war suppliers in Europe and America.
- 2. The High Commissioner for Palestine has on several occasions asked that strong protests should be made to the Arab Governments. H.M. ... representatives in the Arab States on the other hand have pointed out that such representations would probably be without practical effect, and have advised against making an important issue of the boycott.
- 3. In February last we sent a telegram to the Arab Posts, instructing them to point out that it was the duty of His Majesty's Government to protect the interests of all sections of the population in Palestine, and that they were therefore bound to express strong disapproval of any measures discriminating unfavourably against firms or individuals in Palestine. They were studying carefully the information at their disposal and, if the situation were to warrant it, would not hesitate to take such action as was necessary to discharge the duty devolving upon them as the Mandatory for Palestine.
- 4. In September the Egyptian Customs Administration extended the boycott to cover the transit of Jewish goods from Palestine. H.M. Ambassador was instructed to take up this matter with the Ministry of Foreign Affairs, and to ask that immediate instructions should be given to the Director General of Customs to cease the boycott of goods in transit. It does not appear that any reply to these representations has yet been received.
- 5. In October the Colonial Office asked us to examine the possibility of retaliatory measures on the basis of existing agreements between His Majesty's Government and the Arab Governments. As a territory under British administration, Palestine has most favoured nation rights under an Anglo/Egyptian Exchange of Goods in 1930. This agreement is however terminable by either party at short notice, and the Board of Trade were unwilling that we should be exposed to the risk of its denounciation by Egypt.

There are also trade agreements between the Government of Palestine and the

/Governments

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6. Another question closely related to the boycott is that of transit visas for Palestine Jews wishing to visit or pass through Arab countries. The Governments of Egypt, Syria, Lebanon and Iraq are pursuing policies in this matter which make it extremely difficult for many Palestinian Jews to carry on their normal business. Again it might be possible for the Government of Palestine themselves to retaliate by putting obstacles in the way of transit through the country by mon-Palestinian Arabs, but I understand that the High Commissioner has hitherto been reluctant to take this step.

HBeely

(H. Beeley) 13th January, 1947.

I attended a meeting in Sir Gerald Clauson's room at the Colonial Office on the Arab boycott of Palestine on the 13th January at which the High Commissioner for Palestine was present. The High Commissioner pressed very strongly that we should not submit to the action of the Arab States in maintaining the boycott, especially in regard to the action of the Egyptian Customs Administration in stopping the transit of goods to and from Palestine. Sir Alan Cunningham also stressed the inconveniences arising out of the Arab States to grant transit visas to Jewish business men.

After discussion it was agreed that the best prospect of effective action being taken in this matter was to make an approach to the Arab States in connexion with the Convention on International Trade, the signature of which will be discussed towards the end of this year. The draft Convention contains provisions categorically prohibiting signatory powers from imposing boycotts or similar restrictions on international trade. The Lebanese Government were the only one of the Arab States represented on the Preparatory Commission which has just ended but there is little doubt that all the Arab States will wish to subscribe to the Convention. It was considered that we could well approach the governments of the Arab countries, possibly on an informal basis and point out to them the extremely awkward position which they will be

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NOTHING

in at the International Trade Organisation if they are proposing to sign the International Trade Convention while at the same time breaking some of its provisions.

The Colonial Office will be writing to us on these lines as the result of the meeting.

RIN

14th January, 1947.

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1947

PALESTINE

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}E950/347/31. J. Clauson. Colorucid Oppier in Registry 25 Jan 194 30. Jan 194)

anal Bay cott. Refers Balistine al 71 (E646/247/31). fever views on michanes that could be taken organist the arest Beyouth of Tewish Goods, fein suggestions for an approach 6 che Egyptian Goert.

Last Paper.

648

References.

(Print.)

(How disposed of.)

Aft. Lis ford blayor lolonial Office.

(Action completed Next Paper.

1890

Reed. in Popl. 22/2 pp. please.

If un an to approach the Arab formments on these lines, or must brief H.M. Rynountations adequately on the relevant dreft clauser of the Trade Sharter.

I should be gratiful ig E.R. Dept. could supply material for this purpose.

110

Course

32003 F.O.P

course not yet binding on gots, since ITO has not been set up & no agricument signed or patitud) FLAG B Articles 16. Freedom of transit.] v. p. 54, Article 10.

Article 23. Boycotts. Sv. p. 56, Article 17,

But I should hardly have thought that me cd. voefully mention there 1.T.O. auticles to Egypt in any approach on this subject since

a) The articles are old only in draft from. 6) Egypt has had no part in bonnelating them, & is not - officially, at any rate - amon

of their Existence.

c) They are not as yet binding on any golf. * We might point out in general terms that if Egypt persono in the boycott, it will be impossible for her to participate in 170. Whether this will deter her from having anything it do with 170 rather from from a continuing with the boycott is however open to question - I think there considerations apply to The other Arab League States except Lebemon. The latter is the , as fin G. Clarson days, a member of the Preparating Committee, and if representations are mude to the it was be proscrible refer to the Athicks quentining above. I thinh B/T shel. be consulted F.W. Warten 7 before any action is taken,

byins of the three Articles 15 while Mr. Martin refers an now attached to this paper. I note that they all establish obligations to "other member countries". (Ser marked passages). Would Pales time to covered by this phrase?

Assuming for the moment that it would, 9 hour proposed the attached drafts, Mr. Martin first MM 15/3

9 han suggested in my draft that the relevant Articles should be mentioned in an informal opposed to the Arab. Gosto. I am not sun whether Mr. Martin will thank that even this is in admissable. Hos

tel lairs Bogdod 349 Jella 199 Berut 27H Namentus 222. ammen 177 19 april 1862

The obligation wat be to U.K., as the mandatory power. The from V.k. hers included all Ferritorias for which Vik has international responsibility.

m pages 45 2 127 para 5.

amended the feet of the boycoTts article have Bredey's draft toligram to bring it into amendments made by the Internin Dougting Min Wen York. Their report has just been Committee attached.) received , & in am a bit doubtful about the last para 3. The first is thus of oursture qualitized and the second considerably represent lu facto. The Arab quito not does not be <u>diagraphied</u> from Folling 170, States no it, because they maintained the boycottperioded with it foining 170 altr May in aganized party cd. complain to organisation about their breach of Articles 14 when the due procedure has hollowed. ITO Uphalde hu U.K. complaint, Mr Mab wd. eiller have to drop the boycott or Stato As him bother probable astrone. soutenes marked in my Brist Fear that the minute over nimplified Phis point.) With Ruse conorderations in mind I lumb reprosents re-draft Which altach a facts, but which is pretty mach from the point of providing arguments for an approach by M. E. States on this Evopet. our missions in h Fran Mis is inherent in any argumento based n interpretation of provisions whose wording is still not & which are not yet bindrigfixed

However

Mr. Becky

nggst

to

Margin.

in this

L& which the Arab Natro atill hope to get modified at Crenera in a way which Bu auti- Zionit uil permit boycott.

371 61862

substitutes my re-draft & - omitting the part in square brackets — for the last two scuteness of para 3. & this it out on 8/T. They may well suggest stronger arguments. (Mr. Helmore is the man to send it to.)

Thinh Mr. Fabrett who has from the brakking C'Her in N.Y. Shet ne there pp. also the death has gone to B/T.

Copies of the report of the
Preparating Committee, with commentaries, went to
all the posts concerned except fedda under
cover of our chancer letter & 613/37/53

Front early in February 1947. It might be a
good thing to refer to this in the Tolegram.

F.W. Martin,

b/3

Now see draft as revised in accordance with Mr. Martinis suppolions.

Egyptisch Dys. findt

H.Berly 19/3

9 han now made a further amendment to the draft til. in the light 7 bains tils. no. 704 and 707.

Ireft mitielled of Six R. Hown H13. 293

thing to be Written in this Margin.

61862

IGHT OF THE PUBLIC RECORD OFFICE, LONDO

Minutes.

In P. P. Palestist tol 5-96 19/3.

Teller from Mr. Milyriger, B. a.T. Gelter from Mr. Dowies, C.O.

Tel. sent.

H13. 1874

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| 1 2 3 4 5 6 | Reference: FO 371 61862

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Registry
No. E 950/347/31.

Draft. no:
Cairo, Bagdad no:
Jedda, Beirutno:
Damascusno:
Amman no:

TELEGRAM.

Repeat to
Jerusalem and

E 9408 - Flagt

No.

Date

Cypher

Cabinet Distribution.

To C.O. for

Egyptish Rys

213. 19/3

t 2 flimsies please

My telegram to Cairo No. 220 of the 10th February 1946. I should like you to make further representations to the government to which you are accredited on the subject of the boycott of Palestinian Jewish goods by the States Members of the Arab League.

- 2. Please raise the question informally in whatever way seems to you most likely to produce some effect. My following paragraph contains material which you may find useful in addition to the arguments contained in my telegram to Cairo No. 220 and also in my telegram to Cairo No. 1733 of Catabor 2nd 1946.
- The U.N. Preparatory Committee on World Trade and Empløyment held its first session in London in October-November 1946, and its second session will open at Geneva next month. The Preparatory Committee has in preparation a draft of a charter for the International Trade Organisation. In its present form the draft charter contains two Articles which are relevant to the boycott on Jewish goods from Palestine: (1) Article 14 imposes upon members of the I.T.O. the obligation to grant most favoured nation treatment to goods originating in the territory of other members: (2) Article "No member shall 23 reads as follows: encourage, support or participate in boycotts or other campaigns which are designed to discourage directly or indirectly, the consumption within its territory of products of any specific member country or countries on grounds of origin or the sale of products for consumption/

consumption within other member countries on grounds of destination" The text of the article on most favoured nation treatment As unlikely to be substantially modified in future /discussion. article on boycotts has still to be fully considered by the Preparatory Committee of I.T.O. So far there appears to be general support for it, except that the Lebanese delegation have taken the line, both at the first session of the Preparatory Committee in London and at/the Interim Drafting Committee in New York, that boycotts may be justified on political or moral grounds: It appears therefore that the Arab states would not be able to reconcile a continuation of their anti-Zionist boycott with the obligations which they would undertake if they become members of I.T.O.; and that they will in due course have to choose one or the other. your telegrams no. 704 and ich goods in transit? please take up this question again. connexion also the draft charter of the I.T.O. is relevant, since it provides (in Article 13) that "there shall be freedom of transit through the member countries via the routes most convenient for international transit for traffic in transit to or from other member countries".

Amman only My telegrams No. 220 and

No. 1733 to Cairo are being repeated to you.

Cuiro please pass to B.M.E.O.

371 61862

Cairo, Bagdad Jedda, Beirut Damascus Amman

TELEGRAM.

Repeat to

Jerusalem and

B.M.E.O.

No.

Date

Cypher

Cabinet Distribution. My telegram to Cairo No. 220 of the 10th February 1946. I should like you to make further representations to the government to which you are accredited on the subject of the boycott of Palestinian Jewish goods by the States Members of the Arab League.

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- 4. It appears therefore that the Arab states would not be able to reconcile a continuation of their anti-Zionist boycott with the obligations which they would undertake if they become members of I.T.O., and that they will in due course have to choose one or the other.
- 5. Cairo only / Hy telegram No. 1733. Has

 no. 707. In view I the new Ministrial Order,
 say action yet been taken as a result of your

 you should representations concerning the boycett on

 Palestinian Jewish goods in transit? If not,
 please take up this question again, In this

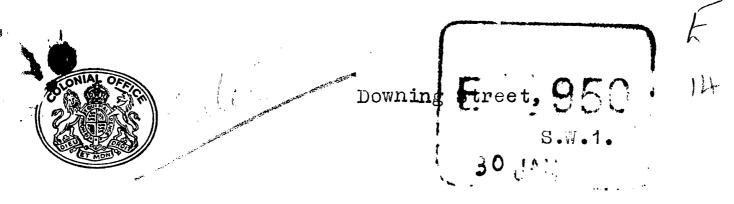
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 "there shall be freedom of transit through the

 member countries via the routes most convenient for
 international transit for traffic in transit to or

 from other member countries".
- 5. Amman only My telegrams No. 220 and No. 1733 to Cairo are being repeated to you.



79238/8/46

25th January, 1947.

SECRET.

Ty han Howe,

You will remember that after our discussions with the High Commissioner for Palestine on measures that could be taken against the Arab boycott of Jewish goods, I promised to embody our views in a letter.

We agreed, I think, that although the Lebanon was the only Arab State represented at the U.N. Conference on Trade and Employment and although the draft Charter was still in some respects incomplete and would in any case not come up for ratification by the United Nations until the autumn of 1947, there were grounds for thinking that Egypt might be very sensitive to any representations made now which could show that the present Egyptian action prohibiting the transit of Jewish goods was totally at variance with the principles generally accepted by the Preparatory Committee. The Freedom of Transit Article (No. 10 in the American draft of the Charter) was, of course, not finally agreed by the Preparatory Committee but I should have thought there was sufficient agreement about the general principle of the freedom of transit trade to justify the assumption that Article 16 of the new draft; to be considered at the second session of the Preparatory Committee in the spring, will be of sufficiently generous scope to cover any representations we may make to Egypt. We should, I feel be on fairly strong ground with Egypt in this matter, since as you

ha **ve**

Sir R.G. Howe, K.C.M.G.

149

have already pointed out to the Egyptians, (your telegram No. 1733 to Cairo) the extension of the boycott to transit trade results solely from the arbitrary interpretation placed by the Director-General of Customs on instructions issued to him under the boycott law; these instructions would appear to have no legal validity and this has been admitted by various members of the Egyptian Administration (vide the High Commissioner's savingram. No. 1737 of the 25th November, 1946).

You will have seen from Palestine telegram
No. 77 that the effect of the prohibition of transit
traffic has chiefly affected the potash export trade
and that, while the cumulative effect is probably
not substantial, considerable inconvenience is being
caused to small consumers in other parts of the
Commonwealth.

On the general question of a further approach to the Arab States about the boycott, we encounter the same difficulties as those described above, namely that the boycott article (which is No. 17 in the American draft and will be No. 23 in the draft to be considered in the Spring) has not yet been put into final form. However we can, I think, take it for granted that the strength of world opinion against boycotts is such that an immediate diplomatic approach is justified. The Lebanon should be particularly vulnerable since they were members of the Preparatory Committee.

I think it was generally agreed that there was

little

(D) 00 9



little prospect of the Arab States agreeing to make any gesture of sweet reasonableness in order to improve the prospects of the London conference, and that it was probably too much to expect any public declaration of withdrawal of the boycott, in view of the strength of feeling in those countries. You will, no doubt, consider, despite the above, whether your representations to the Arab States should include some appeal on general grounds of statesmanship to end the boycott. The steps we are proposing to ask Egypt to take would of course have the added merit that they would demand no formal public withdrawal by the Government of previous declarations of policy, and would merely entail the termination of an administrative irregularity.

61862

N. S. S. S. S.

ARTICLE 14.

General Most-Favoured-Nation Treatment.

- (1) With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports and with respect to the method of levying such duties and charges and with respect to all rules and formalities in connection with importation or exportation and with respect to all matters affected by the provisions relating to national treatment in Article 15, any advantage favour, privilege or immunity granted by any Member to any product originating in or destined for any other country, shall be accorded immediately and unconditionally to the like product originating in or destined for all other Members.
- (2) The provisions of paragraph (1) shall not be construed to require the elmination of any preferences in respect of customs duties and other charges imposed on importation, which do not exceed the preferences remaining after the negotiations contemplated in Article 24 and which fall within the following descriptions:
 - (i) between territories in respect of which there existed on 1 July 1939, common sovereignty or relations of protection or

(a) Preferences in force exclusively -

suzerainty, or

(ii) between the territories comprised in Annexure A to this Charter. Each Member to which provision (i) applies shall provide a list of such territories, which lists shall be incorporated in a further annexure.

Reference: FO 371/61862

OFFICE,

/(b)

- (b) Preferences in force exclusively between the United States of America and the Republic of Cuba.
- (c) Preferences in force on 1 July 1946, exclusively between neighbouring countries.

OTHING TO BE WRITTEN IN THIS MARGIN.

ARTICLE 10.

Freedom of Transit.

- 1. There shall be freedom of transit through the Member countries via the routes most convenient for international transit for traffic in transit to or from other Member countries.
- 2. Any Member may require that traffic in transit through its territory be entered at the proper customhouse, but, except in cases of failure to comply with applicable customs laws and regulations, such traffic coming from or going to other Member countries shall be exempt from the payment of any transit duty, customs duty, or similar charge, and shall not be subject to any unnecessary delays or restrictions.
- 3. All charges and regulations imposed by Members on traffic in transit to or from other Member countries shall be reasonable, having regard to the conditions of the traffic.
- 4. With respect to all charges, rules and formalities in connection with transit, each Member shall accord to traffic in transit to or from any other Member country treatment to less favorable than the treatment accorded to traffic in transit to or from any other country.
- 5. Each Member shall accord to products which have been in transit through any other Member country treatment no less favorable than that which would have been accorded to such products had they been transported from their origin to their destination without going through such other Member country.

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6. Persons, baggage and goods, and also vessels, coaching and goods stock, and other means of transport, shall be deemed to be in transit across the territory of a Member when the passage across such territory, with or without transshipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey, beginning and terminating beyond the frontier of the Member across whose territory the transit takes place. Traffic of this nature is termed in this Article "traffic in transit."

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Boycotts.

No Member shall encourage, support or participate in boycotts or other campaigns which are designed to discourage, directly or indirectly, the comsumption within its territory of products of other Member countries on grounds of origin, or the sale of products for consumption within other Member countries on grounds of destination. Moreover, each Member shall discourage, by such means as may be available to it, such campaigns by political entities within its jurisdiction.

61862

MARGIN. THIS Z WRITTEN 10 NOTHING Registry
No. E 950/347/31

Draft.

Cairo Bagdad Jedda Beirut Damascus Amman.

Telegram.

Repeat to

Jerusalem and

B. M. E. O.

No.

Date

Cypher

Cabinet Distribution.

HB. 14/

F.R. Apr. first

[VM 15/3 please

Dee attached re-draft
of 2 rentences &

min vio.

Despatched

M.

6186

My telegram to Cairo No. 220 of the 10th February 1946. I should like you to make further representations to the government to which you are accredited on the subject of the boycott of Palestin Jewish goods by the States Members of the Arab League.

- 2. Please raise the fuestion informally in whatever way seems to you most likely to produce some effect. My following paragraph contains material which you may find useful in addition to the arguments contained in my telegram to Cairo No. 220 and also in my telegram to Cairo No. 1733 of October 2nd 1946.
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of ther member countries on grounds of drigin

or/

for consumption or the sale of products/within the of other member countries on the grounds of this Moreover, each member shall discourage by such means as may be abailable to it, such campaigns by political mementities within its intrisdiction". "It is unlikely that the drafts/17 of these articles will be substantially modified It therefore appears that in future discussion. the Arab States may find themselves disquatified from membership in the I.T.O. if they ard still maintaining their anti-Zionist boycott when the

time comes for that organisation to be constituted Lebanon is the only State represented on The a gument in my the Preparatory Committee. preceding paragraph should therefore have

added force in Beirut.

Cairo only_7 My telegram No. 1733. Has any action has yet been taken as a result of your representations concerning the boycott on Palestinian Jewish goods in transit? If not, please take up this question again. In this connexion also the draft/charter of the I.T.O. is relevant, since it provides (in Article 13) "there shall be freedom of transit through the member countries via/the routes most convenient for international traffic in transit to or from other member countries".

_Amman only_7 My telegrams No. 220 and No. 1733 to Cairo are being repeated to you.

I attach a re-draft, which might be inserted (minis the part in Iquan Pure had rentonus.

MARGIN 0 Z

around 20 article most σ_{k} unlikely to be substantially matment is nation The article htm drowssion. modified boycotto has still to be fully considered Preparatory Committee of/1.TO. be general support thure appears delegation Chancon except taken In time, both in Im Mr Preparating Commiltee Landon Interm Braiting Committee in New at hu and be Justified boycotto /may . That or moral grounds and in the view of Ind Yuch, political maistein wheet a mouber delegation temporarily fallowed to discriminat against In Frants of another member imposing of boyrott) when Mis effecting measure Open discrimination practical afainst any ntaliate outside M matters Member in by That a settlement of pending priview A Vahino. M United Tworgh એજલ bt impossible mil it / seems likely that Without dissentient Vitus Pun Charley, M principles of invalidating overruled. Will probable lhat hat me on appears Reoncillo d continuation of Their anti-Zioinst boycott with the obligations which they we undertake if they become members of ITO, and that they will in due course have to choose one or the other.

INWARD **TELEGRAM**

Cypher (O.T.P.)

FROM PALESTINE (General, Sir A. Cunningham)

TO 8. OF S. COLONIES.

D. 19th March, 1947. 2. 19th 21.40 hrs.

No.596 Top Secret.

Addressed S. of S. Repeated Cairo No. 24. Damescus No. 357. Beirut No. 358.

My savingram No.1875 of 13th December, 1946, not repeated to Cairo and Damascus.

Arab boycott.

As a result of discussion at the Colonial Office during my last visit, I understood that approach would be made to the Governments of Egypt, Syria and the Lebanon saking them how they reconcile their boycott of Jewish goods from Palestine with the provision of the Draft Charter of International Trade Organisation prohibiting boycotts.

2. I should be glad to learn whether this approach has been made and if so with what result. Jewish manufacturers are now pressing for the denunciation of Trade Agreements with Syrla and the Lebanon.

Distributed toi-

MS.25

Secretary of State

Sir T. Lloya

Mr. I. Thomas

Mr. Mertin Sir D. Harris Mr. Trafford Smith

Mr. Hathleson

Mr. Higham

Mr. Eastwood

Mr. Poynton

Mr. Bennett

Mr. Bigg

00 673

Registry No. E 950/347/31 Top Secret. Secret. Confidential. Restricted. Ope. Oraft. Bir Gerard Clauson, K.C.M.G., O.B.E, Colonial Office. ¥Σ From Sir R. Howe) Copy to Board of Trade.

+ COUT FILE

22

Foreign Office, S.W.1.

Dear Clauson, 1947.

May I refer to your letter No. 79238/8/46 of January 25th, on the subject of representations which might be made to the

Arab States on the subject of the boycott
which they have imposed on Jewish goods

which they have imposed on Jewish goods from Palestine.

We have drafted a telegram on this subject to His Majesty's Representatives in the Arab States, and I now enclose a copy of the draft for your concurrence.

with the enclosure, to Helmone at the Board of Trade, in case he may wish to comments before the telegram is sent.

12814

Yours Sincerely

(Sd.) R. G. HOWE.



OUT FILE

23

(S. 950/347/31.)

FOREIGN OFFICE, S.W.1.
384 March, 1947.

Dear Clauson,

May I refer you to your letter No. 79238/8/46 of the 25th January, on the subject of representations which might be made to the Arab States concerning the boycott which they have imposed on Jewish goods from Palestine.

We have drafted a telegram on this subject to His Majesty's Representatives in the Arab States, and I now enclose a copy of the draft for your concurrence.

I am sending a copy of this letter, with the enclosure, to Helmore at the Board of Trade, for his comments also.

Yours Sincerely

(Sqd) (R. G. Howe).

Sir Gerard Clauson, K.C.M.G., C.B.E., Colonial Office.

RECORD 6186

Telephone No.: WHITEHALL 5140.

Any resto this communication should quote the following reference:

C.R.T. 422/46

Your Ref.

BOARD OF TRADE,

MILLBANK,

London, S.W.1.

14th April, 1947

Dear Howe

You sent Felmore (MA) Fresent in Geneva) a copy of your letter of the 31st March to Clauson about the Arab boycott on Jewish Joods from Palestine.

We agree generally with the terms of your telegram, and have comments only on two minor drafting points. The first is that there should be a comma after the word "origin" on the last line of the first page of your draft. The second is that in Paragraph 6 of your draft the reference should be to Article 16 and not Article 13.

I am sending a copy of this letter to Clauson.

Emelh Me Gregor

Sir Robert Mowe, K.C.H.C., Foreign Office, S.W.1.

510

PUBL 1 C

RECORD OFFICE,



Colonial Office, Dover House, Whitehall, MOEXED S.W. 1.

79238/8/47.

17th April, 1947.

J 18 18 18 18

Dear Howe,

In Clauson's absence as Chairman of the wheat talks I am replying to your letter of the 31st March, E. 950/347/31, enclosing a draft telegram on the subject of the Arab boycott.

We agree to the draft, subject to the point made by McGregor and to the amendments, which owing to the passage of time, will now be necessary in the first sentence of paragraph 4, and which should presumably read "its second session has now opened at Geneva".

I am sending a copy of this letter to McGregor.

Yours sincerely,

(T.W. Davies).

Sir Robert Howe, K.C.M.G., Foreign Office.

61862

Registry
No. E.950/347/31.

Draft.

Cairo No.: 319

Bagdad No.: 349

Jedda No.: 199

Beirut No.: 274

Damascus No.: 222

Special 19

TELEGRAM

Amman No.:

Repeat to:-

Jerusalem and B.M.E.O. Cairo

404

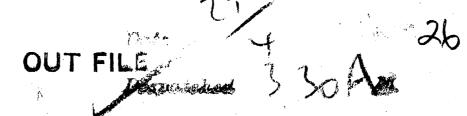
 No_{ullet}

Date

Cypher

Cabinet
Distribution.

To Colonial Office for concurrence.



My telegram to Cairo No. 220 of the 10th February, 1946.

- 2. I should like you to make further representations to the government townich you are accredited on the subject of the boycott of Palestinian Jewish goods by the States Members of the Arab League.
- 3. Please raise the question informally . in whatever way seems to you most likely to produce some effect. My following paragraph contains material which you may find useful in addition to the arguments contained in my telegrams to Cairo Nos. 220 and 1733 of 1946.

4. The United Nations Preparatory Committee on World Trade and Employmentheld its first session in London in October -November 1946, and its second session/will epon/at Geneva, next month. The Preparatory Committee has in preparation a draft of a charter for the International Trade Organisation In its present form the draft charter contains two Articles which are relevant to the boycott on Jewish goods from Palestine: (1) Article 14 imposes upon members of the I.T.O. the obligation to grant most favoured nation treatment to goods originating in the territory of other members: (2) Article 23 reads as follows: "No member shall "encourage, support or participate in boycotts "or other campaigns which are designed to "discourage, directly or indirectly, the "consumption within its territory of "products of any specific member country or "countries on grounds of origin, or the sale

Reference: FO 371 618

of/

5. It appears therefore that the Arab states would not be able to reconcile a continuation of their anti-Zionist boycott with the obligations which they would undertake if they become members of IT.O. and that they will in due course have to choose one or the other.

6. Cairo only 7 Your telegrams No. 704 and No. 707. In view of the new Ministerial Order, you should take up this question again. In this connexion also the draft charter of the I.T.O. is relevant, since it provides (in Article 16) that "there shall be freedom "of transit through the member countries via "the routes most convenient for international "transit for traffic in transit to or from "other member countries".

6%. ZAmman only J My telegrams No. 220 and No. 1733 to Cairo are being repeated to you.

 IOTHING TO BE WRITTEN IN THIS MARGIN.

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FO	Reference:
371/) E
29819	

[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on]

E.950/347/31

Cypher/OTP

CABINET DISTRIBUTION.

FROM FOREIGN OFFICE TO CAIRO NO. 819

BAGDAD NO. 349

JEDDA NO. 199

BETRUT NO. 274

DAMASCUS NO. 222

AMMAN NO. 177

19th April 1947. D. 3.30 a.m. 21st April 1947.

Repeated to Jerusalem

B.M.E.O. Cairo No. 404

v v v

My telegram to Cairo No. 220 of the 10th February 1946.

- 2. I should like you to make further representations to the Government to which you are accredited on the subject of the boycott of Palestinian Jewish goods by the States Members of the Arab League.
- 3. Please raise the question informally in whatever way seems to you most likely to produce some effect. My following paragraph contains material which you may find useful in addition to the arguments contained in my telegrams to Cairo Nos. 220 and 1733 of 1946.
- The United Nations Preparatory Committee on World Trade and Employment held its first session in London in October-November 1946, and its second The Preparatory Com is now in progress at Geneva. has in preparation a draft of a charter for the In its present International Trade Organisation. the draft charter contains two Articles which are relevos to the boycott on Jewish goods from Palestine; (1) Article 14 imposes upon members of the I.T.O. the obligation to grant most favoured nation treatment to goods originating in the territory of other members: (2) Article 23 reads as follows: "No member shall encourage, support or participate in boycotts or other campaigns which are designed to discourage, directly or indirectly, the consumption within its territory of products of any specific member county or countries on grounds of origin, or the sale of products for consumption within other member coun The text of the art on grounds of destination".

/most

most favoured nation treatment is unlikely to be substantially modified in future discussion. The article on boycotts has still to be fully considered by the Preparatory Committee of I.T.O. So far there appears to be general support for it, except that the Lebanese delegation have taken the line, both at the first session of the Preparatory Committee in London and at the Interim Drafting Committee in New York, that boycotts may be justified on political or moral grounds.

- 5. It appears therefore that the Arab states would not be able to reconcile a continuation of their anti-Zionist boycott with the obligations which they would undertake if they become members of I.T.O. and that they will in due course have to choose one or the other.
- 6. [Cairo only]. Your telegrams No. 704 and No. 707. In view of the new Ministerial Order, you should take up this question again. In this connexion also the draft charter of the I.T.O. is relevant, since it provides (in Article 16) that "there shall be freedom of transit through the member countries via the routes most convenient for international transit for traffic in transit to or from other member countries".
- 6. [Amman only]. My telegrams No. 220 and No. 1733 to Cairo are being repeated to you.

Cairo please pass to B.M.E.O. as my telegram No. 404.

PALESTINE

Registry \(\(\)

bound, Received in Registry

18, 41/N1947

Crab boycott. Polisted til 258 Soving of Most.
Refer Polledine til 476 (E1840/247/31)

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anjont and export Jugures.

Last Paper. 2282

References.

(Print.)

(How disposed of.)

Peliotines 15 the Arab States have fallen by almost 66 % in 1946. 9% is of course impossible to determine how for this has been due to the boycott and how four to the re-entry with the Middle Eastern market of American and European goods

4-Berly 187

(Action completed.)

Next Paper.

E2400

32003 F.O.P

7 Clear S G

So. 742/2

From the Officer Administering the Government of Palestine.

To the Secretary of State for the Colonies.

Date73-47		
NoSaving.	(Route	L

(590/347/7/ TO MAR

My telegram No. 475 in reply to

your telegram No. 416 regarding trade with Arab states. Import and export figures are set out in attached table.

Volume Office of Action No. 79238/8/47
Volume Office of the U.S. of S.

Solonial Office.

Reference_

FO 371/61862

STATISTICS OF TRADE WITH PALESTINE

(excluding crude oil from imports and refined petroleum products from exports)

		MO	SX	RIA	Egy	<u> </u>	TRANS-JO	RDAN	ARA	BIA	To Arab	tal for States	Total I	port Total
Year	Imports	Exports	Imports	Exports C.	Imports	Esports E.	Imports	Experts	s Imports	Exports		Same of the	into Palestine	\\from
3000														Palestine
1937	361,160	12,049	1,374,450	625,258	6 30 , 5 20	99,243	(a)	(a)	9,896	1,449	2,376,026	737,999	15,903,666	5,813,536
1938	172,835	8,326	1,014,953	412,825	405,209	101,725	(a)	(a)	8,988	3,339	1,601,985	1		5,020,368
1939	206,858	5,498	1,355,203	389,223	599 ,64 8	97,350	(a)	(a)	15,353		2,177,062			5,117,769
1940	397,134	15,304	501,966	244,329	1,388,084	170,770	(a)	(a)	19,474	•	2,306,658	432,021		λ
1941	392,734	23,471	395,216	148,647	1,677,155	580,589	285,142	119,618	210,379	•	2,960,626			2,820,848
1942	641,471	103,603	678,606	281,784	1,034,719	429,443		198,003			3,467,173	• • • • • • • • • • • • • • • • • • •		2,731,167
1943	766,890	489,029	1,459,590	469,436	2,011,004	631,762	2,172,138			_		1,013,201	19,746,040	3,712,619
1944	3,329,415	383,774	1,400,184	452,641	2,098,600	742,867	1,440,627				6,903,426	2,143,042		7,354,311
1945		670,059		1,063,157				598,316	222,570		8,491,396		27,904,198	10,107,391
at in the same					1,312,921	1,114,310	1,783,194	657,764	155,937	44,288	7,788,625	3,549,578	31,192,911	13,907,608
1946	1,890,728	39,945	3,145,953	317,247	1,620,091	309,175	1,697,037	519,633	144,142	21,127	3,497,951	1,207,127	57,689,123	14,780,852
· · · · · · · · · · · · · · · · · · ·	(a) = Prior	to July	1941, no sta	tistics of	Imports or	Exports were	he flamos		4					and the second s

1947	PALESTINE	E 2400
Registry 2400/34/3/. TELEGRAM PROM No. Oair Dated Received in Registry	Rober 70 tel 1735 (E 940) Rober Lord po rechy to bet Oct 1946 best following ghe oliverspiral felicien la g Nerec or of boursers and	8/4/31)46. Hotel to of protest of 12 al reverentations and and again lot for during Execution
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Last Paper. 2727 References.	flewing de per	will commetently
	49.	
(Print.)	enor. faire no. 705 des	wing appears to han.
(How disposed of.)	Juliel 9 think in can 707/is the telyam in	nder reference.
	See & Speid to C.O. and B.O.T.	E 950.
.	ER Dys. D21/4	H-13. 22) /3
(Action completed.)		
Next Paper.	32003 F.O.P.	

Reference:

61862

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DEPARTMENTAL NO. 2.

FROM CAIRO TO FOREIGN OFFICE.

Sir R. Campbell. No. 704.

D. 8.47 a.m. 19th March 1947.

19th March 1947.

R. 10.45 a.m. 19th March 1947.

Repeated to: Jerusalem and Saving other Arab posts.

W:W:W:W:W

IMPORTANT.

Your telegram No.1753 of 1946: (59408/4/?)

Arab boycott of Jewish merchandise.

I have had no reply to my letter of protest of 12th October but following these representations and discussions between Palestine Government Agent, the Palestine Government Director of Commerce and Industry, the Egyptian Minister of Finance and Senior officials the extension to transit [? gp. omitted] appeared to have been withdrawn and no complaints were subsequently received.

2. Now see however ministerial order reported in my immediately following telegram. 7707

E 2400



DEPARTMENTAL NO.2.

FROM CAIRO TO FOREIGN OFFICE

Sir R.I.Campbell,

D. 5.55 p.m. 19th March, 1947.

No. 707 19th March, 1947.

R. 8.55 p.m. 19th March, 1947.

Repeated to Jerusalem,

Saving to other Arab posts.

My telegram No. 704.

Following is translation of order No.12 of Minister of Finance published in Arabic Official Journal March 10th.

[Begins].

Article No. 1B. Following new paragraph is added to Article 1 of Ministerial Order No.121 of 1945.

The discharge is also prohibited of goods made in or coming from Palestine in transit in all Egyptian ports including Free Zones in such ports.

Article 2. This order comes into force on date of publication in the Official Journal.

[Ends].

111111111 Reference: FO 371 61862

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INDEXED

Cypher/OTP

FILES

FROM BEIRUT TO FOREIGN OFFICE

Mr. Houstoun Boswall. No. 289.

17th April 1947.

D. 6.50. p.m. 17th April 1947. R. 9.00. p.m. 17th April 1947.

Your telegram No. 260.

Reference was to Cairo telegram No. 707 to Foreign Office as cyphered. It only took two weeks (not three) to reach me. Error regretted. My idea was to link severally Egypt embargo measures with Iraqi proposals.

[Note by Telegram Section. Reference telegram was sent by this Department and not copied. It requested repetition of reference in Beirut telegram No. 256.] 2904847/11

[Copy sent to Middle East Secretariat.]

B Apro. 22

E 2902 PALESTINE Work Boycott. Registry | E2902/347/31 Refer to Carro let to. 707 (E2483/347/31). Thinister for Fereign Offers commented on Mr. Houston Boswall the immoderate language used by aggam Beint his letter to the U.S. He considered it 256 Dated sufficient for the and League to pass un Received in Registry 3 apr 47 appropriate resolution and take such steps as were considered necessary to defend with course. Last Paper. (Minutes.) E2483 Ser Sir D. Sargents' minute on attached References. apy. The reference is evidently wrong, and fommunications Dyd. have sent a queny to Beint. H.Beeley 11/4 (Print.) (How disposed of.) H3.247 (Action completed.) Next Paper. E3038 32003 F.O.P.

Cypher/OTP.

DEPARTMENTAL NO. 2.

FROM BEIRUT TO FOREIGN OFFICE

Mr. Houstoun Boswall. No. 256.

D. 2.50 p.m. 3rd April, 1947.

3rd April, 1947,

R. 8.50 a.m. 4th April, 1947.

Repeated to Cairo, Bagdad.

Jerusalem (Jerusalem please pass to Amman as my telegram No. 41)

Jedda, Saving
Damascus - Saving

2 lines

Cairo telegram No. 707 to you.

Palestine.

Unfortunately, I had not seen this telegram (which took three weeks to reach me by bag from Cairo) when the Minister for Foreign Affairs told me this morning of the line he had taken in the Arab League, principally in regard to the Palestine question, about which he feels very strongly indeed. The Council had been confronted with a letter to the United States Government drafted by Azzam in immoderate language about President Truman's attitude on the subject of Jewish immigrants. The Lebanese Minister for Foreign Affairs had pointed out that it was not suitable for the Secretary General to address such notes to any country [grp.undec.? as] every member of the League had its own foreign Ministry, moreover it was not fitting for any Arab State to address itself to a country like the United States in such offensive language. He had gone on to explain that as His Majesty's Government had in their wisdom referred the whole question to the United Nations, it was sufficient for the Arab League to pass an appropriate resolution and to take such steps as members might consider necessary to defend the Arab cause before the United Nations. He had not approved of the Iraqi suggestion that Eritish and American oil and other interests should be the object of economic reprisals and had said that the Lebanon would definitely dissociate itself from any base scheme.

E 2902

Cypher/OTP.

DEPARTMENTAL NO. 2.

FROM BEIRUT TO FOREIGN OFFICE

Mr. Houstoun Boswall. No. 256.

D. 2.50 p.m. 3rd April, 1947.

3rd April, 1947.

R. 8.50 a.m. 4th April, 1947.

Repeated to Cairo,

Bagdad. Jerusalem (Jerusalem please pass to Amman as my telegram No. 41)

Jedda, Saving Damascus - Saving.

Cairo telegram No.707 to you. [333] 307/31

Palestine.

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gedde telegram no 162 (E3112), though that also is not very clear. 9 submit a draft, while should go off ungently is it is H.Beeley 14 bhquoe. Ze. afræ. 143. 19

b. v. fa.a.

DEPARTMENTAL NO.2.

FROM BEIRUT TO FOREIGN OFFICE

Mr. Houstoun Boswall No. 269 April 9th, 1947.

D. 4.55 p.m. April 9th, 1947.

R. 9.15 a.m. April 10th, 1947.

A. Repeated to Cairo Bagdad Jerusalem Amman[(Jerusalem please pass as my telegram No.42)] Jedda Damascus Saving

SSSSS

SECRET

My telegram No. 256.

Palestine.

President of the Republic confirmed to me to-day that he would shortly be meeting the Syrian President at Chtaura with members of their respective Governments to discuss special meeting of Arab League to consider Palestine question. Leben would press strongly for the meeting to be held at Damascus as the present electoral campaign would make it difficult for the Ministers to absent themselves for a long time at such a distance as Cairo. His Excellency asked me whether Leben should urge the Syrians to press for a special session of United Nations or wait for ordinary session in September. I said I thought His Majesty's Government would prefer that the case should be taken in September as had been suggested. I also gave it as my personal opinion that it might be to the advantage of all concerned not to rush matters partly because there was always albeit slight hope that tempers might cool in the interval, although it was not impossible that the situation might deteriorate for all I knew. Nevertheless it would surely be to the advantage of the Arab States to have four months in which thoroughly to prepare their case for presentation to the United Nations, who would be acting in the capacity of an impartial tribunal and who would expect all aspects of the question to be submitted in a carefully reasoned and logical manner. 6

> Day In The well to have de A made and a confirmal

Sold and Constant

OFFICE, 61862

E 3038

Cypher/OTP

DEPARTMENTAL NO.2.

FROM BEIRUT TO FOREIGN OFFICE

Mr. Houstoun Boswall No. 269

D. 4.55 p.m. April 9th, 1947.

April 9th, 1947.

R. 9.15 a.m. April 10th, 1947.

Repeated to Cairo Bagdad Jerusalem Amman (Jerusalem please pass as my telegram No.42) Jedda

SSSSS

SECRET

27/2/224/31 My telegram No. 256.

Damascus Saving

Palestine.

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Registry

Secret.

Open.

Telegram.

Repeat/to

Jerusalem.

Cooker

Cypher.

Distribution:—

Copies tp:—

Beirut.

Draft.

No. E 303/347/31. H.B. Departmental No.2.

OUT FILE

IMMEDIATE

Your telegram No. 269 and Jedda telegram No. 162 /Arab States and Reference of Palestine to United Nations 7.

I do not quite understand what the Lebanese President means by "pressing for a special session of the United Nations or waiting for the ordinary session in September". The Secretary General invited the approval of the member states for this special session in a circular telegram dated the 2nd April, and it should already have been clear to His Excellency that a special session was inevitable.

Nor do I understand the distin by Yusuf Yassim between a preparatory committee on Palestine and a special session of the General Assembly (Jedda telegram No. 162, paragraph 1). The special session has been convened for the explicit purpose of setting up a preparatory committee. Ja my

to initiate, at the special session/on 285 April, a discussion on the substance of the Palestine problem, there is of course nothing to prevent/from proposing additions to the agenda. Such add tions however can under Assembly's rules, be had only with the consent of a two-thirds majority

If H.M. Representatives in the Arab countries are approached on the lines, of paragraph 3 above, I hope they will point out that the special session of the Assembly has been convened for the purpose of taking a purely /procedural

procedural decision; that its agenda can be enlarged only by the two-thirds vote of just members; and that such a vote in favour of discussing Palestine problem in /ee highly improbable, since most of the member states are to be represented by their permanent delegates in New York or by their representatives in Washington, will claim that they are not four months in which the Arab States will have to prepare their case for presentation to the United Nations. If the preparatory committee is it will probably start work some time in June, and may ask for a statement of the Arab case and a fairly early stage in its deliberation See also my telegram to Cairo No.

3. If the position is not already clear to the Arab forwarment, I hope it will be explained to them before their Foreign Ministers meet on the 19th April. It would also be useful if H.M. Representatives would open on the lines of for my telegram to Cairo no (791), paragraph 2.

4. As regards the last sentence of your telegram no. 269, it should be realised that, if the proposation bommuter referred to in paragraph 2 abon is out up by the special Assembly, or

OTHING TO BE WRITTEN IN THIS MARGIN.

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_	6	
7	Reference:	COPYRIGHT OF THE PUBLIC RECORD OFFICE, LONDON
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29919		LONDON

H.B. 194

OUT FILE

E 303/347/31

Secret

Cypher/OTP

DEPARTMENT AL NO. 2

FROM FOREIGN OFFICE TO BEIRUT

No. 267

D. 12.30 a.m. 17th April, 1947

16th April, 1947.

Repeated Immediate to Cairo No.795
Bagdad No.334
Damascus No.217
Jedda No.196
Amman No.174
Jerusalem
British Middle East Office,
Cairo No.398

IMMEDIATE

SECRET

[Cairo only] (Please pass to British Middle East Office as my telegram No.398 Immediate).

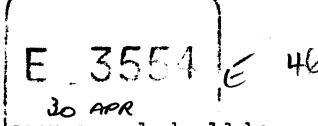
Your telegram No. 269 and Jedda telegram No. 162 [Arab States and Reference of Palestine to United Nations].

I do not quite understand what the Lebanese President means by "pressing for a special session of the United Nations or waiting for the ordinary session in September". The Secretary General invited the approval of the member states for a special session in a circular telegram dated the 2nd April, and it should already have been clear to His Excellency that a special session was inevitable.

- 2. Nor do I understand the antithesis between a preparatory committee on Palestine and a special session of the General Assembly (Jedda telegram No.162, paragraph 1). The special session has been convened for the explicit purpose of setting up a preparatory committee. See my telegram to Bagdad No.293.
- 3. If the position is not already clear to the Arab Governments, I hope it will be explained to them before their Foreign Ministers meet on the 19th April. It would also be useful if His Majesty's Representatives could speak on the lines of my telegram to Cairo No.794, paragraph 2.



4. As regards the last sentence of your telegram No. 269, it should be realised that, if the preparatory committee referred to in paragraph 2 above is set up by the special Assembly, it will probably start work some time in June, and may ask for a statement of the Arab case at a fairly early stage in its deliberations.



[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on]

Cypher/OTP

CABINET DISTRIBUTION

FROM AMMAN TO FOREIGN OFFICE

Sir A. Kirkbride

No. 134

D. 1.15 p.m. 28th April, 1947

28th April, 1947

R. 6.45 p.m. 28th April, 1947

Repeated to Bagdad Saving

Beirut Saving Cairo Saving

Damascus Saving

Jedda Saving

British Middle East Office Cairo Saving

Jerusalem Saving

ddddddd

E. 950/247/2

Reference your telegram No. 177.

April 19th about boycott of Palestinian Jewish goods.

When I spoke to Prime Minister of Trans-Jordan on this subject he replied that while the Trans-Jordan Government had been compelled by public opinion to subscribe to decision to boycott Jewish goods no legislation had been passed on Trans-Jordan on the subject neither had boycott been enforced in fact. He would conform willingly with a decision by Arab States to cancel the boycott but did not feel able to take unilateral action.

I can confirm that the boycott is not enforced by Trans-Jordan and I would point out that Jewish press never backward in complaints about Trans-Jordan has not mentioned this country in attacks on the boycott.



61862

32003 F.O.P.

E 3555

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Cypher/OTP

CABINET DISTRIBTUION

FROM BAGDAD TO FOREIGN OFFICE

Sir H. Stonehewer Bird No. 392

D. 7.28 a.m. 29th April 1947 R. 11.15 a.m. 29th April 1947

28th April 1947 Repeated to Jerusalem

Boycott.

Cairo Jedda Beirut Damascus Amman

Saving

British Middle East Office Cairo

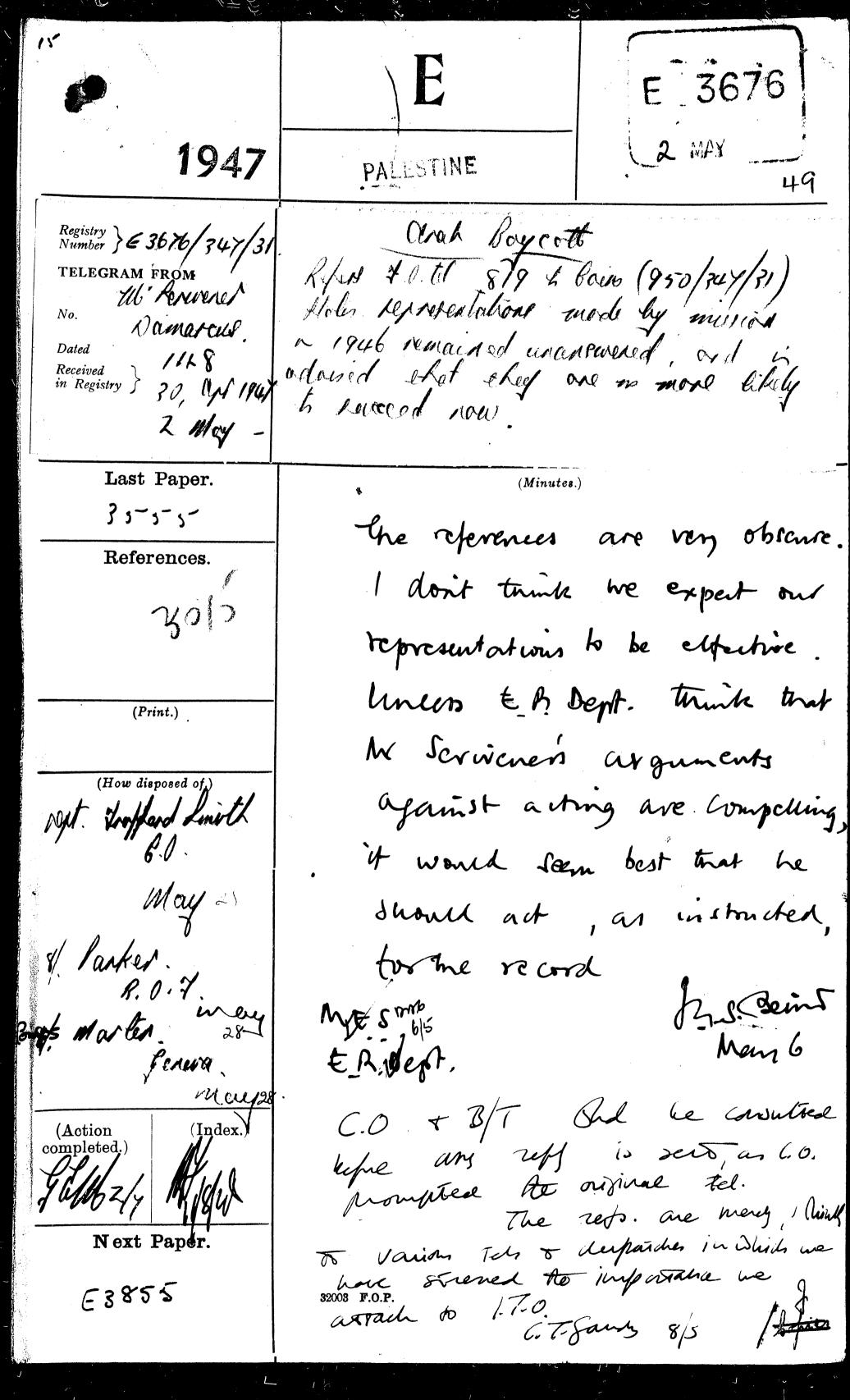
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Your telegram to Cairo No. 819.

19-0/347/3

I will seek an early opportunity of speaking to the Iraqi Prime Minister on the lines you suggest.

- 2. It is not easy to assess how effective the boycott is, but it certainly causes annoyance, even in the case of goods of United Kingdom origin passing through Palestine, which are liable to be held up by the Iraqi authorities. I shall stress this aspect in speaking to the Prime Minister.
- 3. I am sending the latest available facts and figures by despatch.



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See now E 3904, E 4110 and E for corresponding reactions from H.M.Missins in Beirut, Cairo and Jedda. All posts are agreed that the use of the arguments set out in para.4 following of our telegram No.819 to Cairo (E 950 Flag A) about Articles 14 and 23 of the draft Charter for the I.T.O. would merely have the effect of prejudicing the Arab States against I.T.O. See moreover E 4157 for a report of an initial brush with the Lebanese Syrian delegations at Geneva on the question of Article 23 in relation to the Arab boycott of Palestine.

It seems from these telegrams quite clear that there is nothing to be gained by making play with the draft Charter of I.T.O. in representation to the Arab countries about the Palestine Boycott. The Arab States would probably have a good deal to gain from joining the I.T.O., but they are capable of being very pig-headed where questions such as the Jewish position in Palestine is concerned. They are in any case clearly already well aware of the clash between their boycott of Palestine-Jewish goods and the obligations which they would have to assume under I.T.O. and there seems no point whatever in rubbing this in, a process likely only to make them more pigheaded.

The instructions at Flag A gave the Middle East posts wide discretion as to the nature of the representations they were to make to the Arab Governments about the boycott and only suggested that the Middle East posts might find the arguments about I.T.O. useful.

It was the Colonial Office who suggested these I.T.O. arguments and in the circumstances I think we should write to the Colonial Office suggesting that they should be dropped, but that, if the Colonial Office wished, the Middle East posts should nevertheless still be given general instructions to make further general representations about the boycott.

We should copy the letter to the Colonial Office to the Board of Trade and invite their views on para. 3 of Cairo telegram No.1116.

As Mr. Grafftey Smith is proposing to make representations to the Saudi Arabian Government including reference to the I.T.O. arguments (in spite of the fact that he anticipates an adverse reaction) I think that he should be told to hold his hand for the time being pending further instructions.

Draft to Mr. Trafford Smith (Colonial Office) and draft telegram to Jedda accordingly.

19th May, 1947

49A

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Reference: FO 371 61862

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Cypher/OTP

CABINET DISTRIBUTION.

FROM DAMASCUS TO FOREIGN OFFICE

E 3676

Mr. Scrivener. No. 148.

D. 4.00 p.m. 30th April: 1947.

30th April, 1947. R. 8.55 p.m. 30th April, 1947.

Repeated to Cairo, Beirut, Saving.

5 5 5 5

E 950/34//31

Your telegram No. 819 to Cairo.

I have asked for Cairo telegram No. 1733 of 1946 which had not yet reached this post.

Representations made by this mission in 1946 remained unanswered and I am advised that they are no more likely to succeed now. Your intention is doubtless, however, to register simultaneous protest in all Arab States. But so far as the suggested arguments are concerned, may not their use tend to arouse Arab opposition to ITO and thus endanger more general chiestive set to I.T.O. and thus endanger more general objective set forth in your telegram No. 112 to [gps. undec.] and more especially in paragraph - (d) of your circular 028? I should certainly expect such reaction here and before acting should welcome confirmation of your instructions.

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RECORD OFFICE,

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[This telegram is of particular secrecy and should be retained by the authorized recipient and not passed on]

Cypher/OTP

C.BIN.T DISTRIBUTION

FROM JEDD. TO FOREIGN OFFICE.

Mr. Grafftey Smith.

D: 12.00 noon 17th May, 1947

No.198 17th May, 1947.

R: 5.00 p.m. 17th May, 1947.

Repeated to Cairo, Saving British Middle East Office, Saving Bagdad, Saving Beirut, Jorusalom. Amman, Damascus

Restricted.

Your tologram No. 819 to Cairo.

Palestine boycott.

I am still awaiting the opportunity for raising the matter informally with Sheikh Yusuf Yassin who is expected back in Jedda shortly. Representations to his underlings would be futile.

2. I have no (repeat no) expectation of a favourable reception of the arguments you suggest. Most probable result is a Saudi refusal to participate in International Trade Organisation. If the latter believes membership of this organisation carries the obligation to permit gold dealings in member's territory at official rates only, there is advantage to ourselves in not frightening Saudi .rabia off at this stage.

Top Secret.
Secret.
Confidential.
Restricted.
Open.

Draft.

Mr. Trafford Smith Colonial Office.

Copy to:

Parkei

Mr. K. McGreger

Board of Trade

7. Malten, U.K. Delyha

Parei

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Economic Relations

to see

20/5

OUT FILE

FOREIGN OFFICE,

28 May, 1947.

You will remember that on 19th April
we sent * telegram; to Cairo and the other
Middle Eastern posts instructing them to make
further representations to the Arab Govts.
about the boycott of Palestinian-Jewish
goods, in which we suggested that they might
find it useful to make use of arguments
about the provisions of Art.14 and 23 of
the draft Charter for the International Trade
Organisation. I enclose a copy of the
telegram (No.819 to Cairo) for ease of
reference.

We have now received telegrams from
Beirut, Damascus, Cairo and Jedda all
expressing the view that the use of the
suggested I.T.O. arguments would only have the
effect of arousing Arab opposition to
I.T.O., and thus prejudicing the prospects of
getting that Organisation properly onto its
feet. I enclose copies of all these telegrams
together with a copy of a telegram from
Geneva (No.425 of 16th May) which shows that
in the working party on the I.T.O. draft
Charter there has already been a brush with
the Lebanese-Syrian Delegation on the question
of the obligations imposed by Art.23, in
relation to the Palestine boycott.

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we risk prejudicing them against the I.T.O.

It is equally clear moreover that the Arab inaugual Governments are already fully aware of the potential clash between their boycott policy and the obligations which they would ultimately have to assume under the I.T.O. Charter if they signed it, They Arab States, should,

indeed, stand to gain by joining the I.T.O., of course, where the Jewish position in Palestine is concerned they are capable of being very pig-headed. In any case we feed that Anything we do to rub in this clash between boycott policy and I.T.O. obligations would only be likely to make them more pigheaded.

In the circumstances we would suggest that, if you still feel that further representations to the Arab Governments are called for, they should be in more general terms, on the lines indicated in paras 2 and 3 of our telegram No.819 to Cairo, unless you, or the Board of Trade, to whom I am sending a copy of this letter have any other suggestions to make. In this commexion we should welcome your observations and those of the Board of Trade on the suggestion in para. 3 of Cairo telegram No.1116.

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OTHING TO BE WRITTEN IN THIS MARGIN.

HT OF THE PUBLIC RECORD OFFICE, LONG

FOREIGN OFFICE, S.

(E3676/347/31)

sent telegrams to Cairo and the other Middle Sastern posts instructing them to make further representations to the Arab Governments about the boycott of Palestinian-Jewish goods, in which we suggested that they might find it useful to make use of arguments about the provisions of Article 14 and 25 of the draft Charter for the International Trade Organisation. I enclose a copy of the telegram (No.819 to Cairo) for ease of reference.

Damascus, Cairo and Jedda all expressing the view that the use of the suggested I.T.O. arguments would only have the effect of arousing Arab opposition to I.T.O., and thus prejudicing the prospects of getting that Organisation properly onto its feet. I enclose copies of all these telegrams together with a copy of a telegram from Geneva (No.425 of 16th May) which shows that in the working party on the I.T.O. draft Charter there has already been a brush with the Lebanese-Syrian Delegation on the question of the obligations imposed by Article 23, in relation to the Palestine boycott.

In the light of these reactions it would seem that there is nothing to be gained by using the I.T.O. arguments on the Arab Governments, we risk prejudicing them against the I.T.O. The Arab Governments are

OFFICE, 61862

/in

in any case already fully aware of the potential clash between their boycott policy, and the obligations which they would ultimately have to assume under the I.T.O. Charter if they signed it, and although they should, stand to gain by joining the I.T.O. they are, of course, where the Jewish position in Palestine is concerned, capable of being very pig-headed. Anything we do to rub in this clash between their boycott policy and I.T.O. obligations would only seem likely to make them more pig-headed.

In the circumstances we would suggest that, if you still feel that further representations to the Arab Covernments are called for, they should be in more general terms, on the lines indicated in paragraphs 2 and 3 of our telegram No.819 to Cairo, unless, of course, you, or the Board of Trade, to whom I am sending a copy of this letter have any other suggestions to make. In this connexion we should welcome your observations and those of the Board of Trade on the suggestion in paragraph 3 of Cairo telegram No. 1116.

(P. Garran)

16	E	E 3855
1947	PALESTINE	9 MAY
Registry E3855 /344/31 FROM No. Dated Received in Registry 1/2/31/4/ 28, (M. 194)	aroge Boycott of Lic. be cent by dematch.	(E3555/344/81) West figures re nist foods woods
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Reference: FO COPYRIGHT OF THE PUBLIC RECORD OFFICE, LONDON 371/61862

56

British Embassy,

Bagdad.

28th April, 1947

Sir,

E3155/

In my telegram No 392 I said that I would send by despatch the latest available facts and figures regarding the efficacy of the boycott of Zionist goods, so far as it concerns Iraq.

- The figures extracted from the Iraqi returns are not very clear. While Iraq has apparently imported much less from Palestine in 1946 than in the previous two years it must be remembered that they are not now restricted by the M.E.S.C. arrangements which forced them to abandon their old distant sources of supply, and to obtain all they could from adjacent countries. On the other hand Palestinian industry has greatly developed during the war, and but for the boycott it might be reasonable to suppose that Iraq would be taking more Palestinian goods.
- The relevant figures are as follows:-

Trade with Palestine:

Imports 1946 into Iraq from Palestine

January February March April May June July August September October	ID 33,402 7,348 18,542 17,641 13,689 10,187 1,842 139 1,770 1,571
	106,131

Transjordan total ID 14,076

In 1944 and 1945 the totals for the year, which then included Transjordan, were ID 583,676 and ID 828,734.

/Exports

The Right Honourable Ernest Bevin, M.P., etc., etc., etc.

OFFICE, 61862

Exports to Palestine from Iraq 1946

	ID
January February March April May June July August September October	263,407 2,264 3,353 24,831 6,961 2,640 35
	303,491

Transjordan total ID 205,742

In 1944 and 1945 the yearly totals, including Transjordan were ID 1,468,038, but these figures include grain shipments valued at ID 1,530,795 and ID 1,016,914 respectively.

- 4. On the strength of these figures the boycott does not appear to be very effective, because as mentioned in paragraph 2 above it was only to be expected that with the end of M.E.S.C. control in 1946, Iraq would turn to her old sources of supply in place of those forced upon her by the control.
- 5. Similarly the control of exports to Palestine does not appear to be very thorough if account is taken of the value of grain shipped under Ministry of Food auspices in 1944 and 1945. It is impossible to reconcile the total for the first seven months of 1946, ID 303,456, with the figure of £P.6,289,462 for the same period published by the Department of Statistics, Jerusalem, for imports into Palestine from Iraq, unless it be assumed that the Palestinian figure includes oil. The Director General of Economics has no idea of the value of the oil going down the pipe to Haifa. It would be interesting to learn whether the Palestine Government is able to elucidate the point.
- Kingdom goods passing through Palestine. Until recently a certificate from the Arab Chamber of Commerce in Jaffa to the effect that the goods were of United Kingdom origin was sufficient; but now the Iraqi Consul General in Jerusalem insists on such certificates being endorsed by the Arab Higher Committee. A recent case of the hold up of United Kingdom goods is that of some 80 copies of Kelly's Directory being held up in the Iraqi Post Office because they passed through Kelly's agent in Jerusalem. As I said in my telegram

/under

under reference I propose to take this case up with the Iraqi Prime Minister and will let you know the result in due course.

7. I am sending copies of this despatch to the High Commissioner for Palestine and the British Middle East Office.

I have the honour to be
With the highest respect,
sir,
Your most obedient,
humble Servant,

De Parker

E 3904

PALESTINE

15-MAY

Registry Number	}	E3904/347/31
Registry Number	}	E3904/347/31

TELEGRAM FROM

Dated

Received in Registry

Last Paper.

7855.

References.

(Print.)

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Please see E 3676 and arin Theren

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(Action completed.) (Index.) Next Paper.

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32003 F.O.P.

E 3904

[This telegram is of particular secrecy and should be retained by the authorised recipient and not passed on].

Cypher/OTP

CABINET DISTRIBUTION.

FROM BEIRUT TO FOREIGN OFFICE.

Mr. Houstoun Boswall. No. 348 10th May 1947

D. 3.58 p.m. 10th May 1947. R. 9.25 p.m. 10th May 1947.

Repeated to Cairo No. 126.
Damascus Saving.

Egropuy hi

Your telegram No. 819 to Cairo.

Boycott on Zionist goods.

This telegram arrived when I was absent, and on my return I found Damascus telegram No. 148 to you submitting that representations in the sense of your instructions might arouse Arab opposition to International Trade Organisation and so defeat wider objectives of His Majesty's Government's economic policy.

would not be prepared openly to go further than Syria in this question (although Minister for Foreign Affairs has told me how strongly he disapproved of the more energetic Iraqi proposals for retaliation against British and American economic interests) I would prefer, subject to your approval to defer taking any action pending your reply to Damascus.

1947	PALESTINE	E 4110 61
Registry Number & 64/10/347/31 TELEGRAM FROM No. Let R. Corplett No. Pated Pated Received in Registry } 11/6. 13, May 194 16 -	Chah Roy cott Refer FD (il 819 (2 14as not fet mode for from lowerdings in Whip empression chot argue representation might egyption font orain	enal representations, remail tenance has ment tenance
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References.	See minutes	+ action on E 3676
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Cypher/OTP

CABIN T DISTRIBUTION.

FROM CAIRO TO FOR IGN OFFICE.

Sir. R. Campbell. No. 1116.

D. 8.15 p.m. 13th May 1947.

13th May 1947.

R. 11.10 p.m. 13th May 1947.

Repeated to United Kingdom Delegation Geneva,

Bagdad, Jedda, Beirut, Damascus, Jerusalem, Amman Saving.

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Your telegram No. 819: Palestine boycott.

I have not yet made formal representations and from soundings in Ministry of Finance I have the impression that arguments suggested by you would have no force at all and that representations might prejudice the Egyptian Government against International Trade Organisation.

- According to a local press report United Kingdom delegation at Geneva has been instructed to raise the question. Is this so and what was the result?
- tations on the basis of two commercial agreements between Egypt and Palestine viz (a) *that of* June 6th/7th*1930 extended to Palestine June 10th/11th and recently extended till February 16th 1948. (b) agreement resulting from Jerusalem Conference of February 1944.
- 4. Boycott appears to contravene paragraph (c) of *the former instrument and its extension to transit trade contravenes section 4 of the latter instrument. In corresponding negotiations with the Government agent in Cairo in May/July 1946, Egyptian Director General of Customs by agreeing to terminate paragraph (c) of section 4 of the latter, implied recognition of its continued validity*.

Foreign Office please pass to United Kingdom Delegation Geneva *as my telegram No. 55*. *Beirut* please pass to Damscus as my telegram No. 73.

[Repeated to United Kingdom Delegation Geneva].



[This telegram is of particular secrecy, and should be retained by the authorised recipient and not passed on].

Cypher/OTP

CABINET DISTRIBUTION

FROM CAIRO TO FOREIGN OFFICE

Sir R. Campbell No: 1116 13th May, 1947.

D. 8. 15 p.m. 13th May, 1947. R. 11.10 p.m. 13th May, 1947.

Repeated to United Kingdom Delegation Geneva, Bagdad. Jedda,

Beirut. Damascus, Jerusalem. Amman Saving.

11111

£950/201/ Your telegram No. 819: Palestine boycott.

I have not yet made formal representations and from soundings in Ministry of Finance I have the impression that arguments suggested by you would have no force at all and that representations might prejudice the Egyptian Government against International Trade Organisation.

- 2. According to a local press report United Kingdom delegation at Geneva has been instructed to raise the question. Is this so and what was the result?
- 3. Meanwhile you may wish to consider representations on the basis of two commercial agreements between Egypt and Palestine viz (a) exchange of notes June 6th/7th September 24th 30th [sic] extended to Palestine June 10th/11th and recently extended till February 16th 1948. (b) agreement resulting from Jerusalem Conference of February 1944.
- 4. Boycott appears to contravene paragraph (c) of [grps. undec.] with Palestinian Government [grps. undec.] (c) of section 4 of latter implied recognition of its continued validity.

Foreign Office please pass to United Kingdom Delegation Geneva [grp. undec.] Please pass to Damascus as my telegram No. 73.

[Repeated to United Kingdom Delegation Geneva]. [Repetition of undecypherable groups is being obtained

lie Arabs inti trinking hay can accept the Chester with Article 27 a time crack Down in them were there is then accepted. This world the west warrainable.

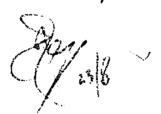
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That in it is like his 3 (a) x (b). I suggest be can aby lear it to the Preparatory Pters to work at. I suggest wor sh? answer 7: Taken to this effect a I other II: I think this correspondence on £ 3676 st.) Le copied to him this.

C. I CROWE.

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Cypher/OTP

INTERNATIONAL TRADE DISTRIBUTION

FROM GENEVA (UNITED KINGDOM DELEGATION)

TO FOREIGN OFFICE

No. 425 16th May, 1947. D. 10.56 p.m. 16th May, 1947.

R. 12.25 a.m. 17th May, 1947.

Repeated to Beirut, Cairo,

IMMEDIATE

Damascus, New York (U.K.Delegation).

Q Q Q

IMMEDIATE NEUTRAL SECRET

Please pass Immediate to posts named.

Arab League boycott of Zionist goods.

The Working Party on Articles 15-23 inclusive and 37 of the I.T.O. draft charter today took Article 23 (boycotts).

- 2. The Lebanese-Syrian delegation had reserved its position on this article both at the London session of the Preparatory Committee and at the Drafting Committee in New York, taking the view that boycotts may be justified on political or moral grounds. Some days ago they circulated a paper here suggesting that Article 23 should be deleted, or failing acceptance of this suggestion by the Committee, that one of the two following amendments be adopted:-
 - (a). Insert at beginning of the article the words "save in exceptional circumstances where their adoption is justified by vital national interests".
 - Add a second paragraph. "The provisions of paragraph 1 of this article shall not apply to boycotts of subsidised trading enterprises with political objectives likely to prejudice the vital interests of a member." (They subsequently suggested that the words "with political objectives" be omitted from Amendment B.)
- 3. Mobarak (Lebanon) and Jabbara (Syria) asked to see Holmes yesterday afternoon and raised the question of Article 23. stating that they were anxious not to introduce major political issues when their amendments came up for discussion and expressing hope that we would support one or other of their proposals.

4./..

- 4. Shortly before meeting today we warned Syrian representative orally that the United Kingdom delegation would not feel able to accept proposed deletion of the article or either of the suggested amendments.
- of the Working Party, who handled the discussion this morning very well. He said that it was necessary to have in the Charter an article prohibiting boycotts by members and that the proposal for deleting the article should be dropped. The sense of all members of the Committee except Lebanon-Syria and India was in agreement with this. The Lebanese delegate mentioned the political issues of Zionism and Palestine in his speech.
- 6. The Working Party then went on to deal with the amendments. United States took the line that they were unnecessary and United Kingdom agreed. They were supported by Belgium and Cuba, who suggested that this was essentially a political matter with which the Preparatory Committee could not deal. The appropriate place for discussing it was the United Nations special assembly now meeting in New York. In so far as the Lebanese-Syrian claim was based on economic grounds (e.g. that the Zionists were subsidising Jewish goods to undersell Arab goods in markets which the latter would otherwise enjoy) the Draft Charter already contained provisions (e.g. Article 17, anti-dumping and countervailing) to deal with such malpractices.
- 7. Unfortunately Netherlands and Czechoslovakia then suggested that the boycott might not come within the scope of Article 23, the former on the grounds that it refers to territorial origin, whereas the Arab League countries were proposing to boycott the goods not of a territory but of a group (i.e. the Zionists), the latter on the grounds that Palestine would not be a member country. The Lebanese seized on this and asked that the question whether the action which they found it necessary to take came within the terms of Article 23 or not might be referred to the legal adviser. If Article 23 did not apply to such action then they were quite content that it should remain in the Charter. Colban resisted this as likely to lay an unfair burden on the staff who would find it difficult to give a legal opinion on a matter of this sort against a political background.
- 8. We took no part in the discussion beyond original support of United States proposal (see paragraph 6 above) as members of committee generally were not sympathetic with the Lebanese and it was obviously undesirable to get immersed in political arguments.
- 9. Upshot of discussion was that Lebanese Delegation went on record as prepared to accept the article without amendment if it did not apply to the circumstances of the case in question, but that if it did, as reserving their position.
- 10. Above will answer paragraph 3 of Caire telegram No.1116 (your telegram No.429).
 11. Comments will follow.

[Repeated Immediate to Beirut, Cairo, Damascus and United Kingdom Delegation New York].

1 2 3 4 5 6 Reference: PUBLIC RECORD OFFICE, LONDON

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UNITED KINGDOM DELEGATION TO PREPARATORY COMMITTEE

21 MAY 1947

PALAIS DES NATIONS, GENEVA.

M/17

19th May, 1947.

Our telegram 425 (Arab League boycott of Zionist goods.) You will see from para 9 that a decision on this issue has merely been postponed.

- When the Lebanese and Syrians saw Holmes on the afternoon of 16th May they ementioned to him that they were bound by an undertaking to the other Arab League countries to get Article 23 either deleted or amended to meet their wishes. If they could not obtain either deletion or amendment, they would be unable to \subscribe to the Charter - i.e. they would not join I.T.O.
- It seems to me there are three possible outcomes of this situation:-
 - (a) The Article is either deleted or amended in some way satisfactory to all concerned.
 - (b) The Article stands in the Charter in its final form but the Arab League countries, when depositing their acceptance of the Charter, make a reservation on Article 23.
 - (c) The Arab League countries do not join I.T.O.
- Discussion in the Working Party on Articles 15-23 and 37 of this Article on the morning of 17th May showed that 3 (a) is most unlikely to come about because
 - (i) All delegations except the Lebanese-Syrians and Indians consider that it is necessary to include an article of this sort.
 - (ii) None would be prepared to see a let-out, of the sort implied by their proposed amendments, included in Article 23. If such a let-out were included it would make nonsense not only of Article 23, but also seriously invalidate the m.f.n. and non-discrimination principles.
- 3(b) is highly undesirable, because it will create, on an issue of substantial importance, a precedent which, if other countries follow it on other issues, will riddle the Charter with particular exceptions.
- It seems to me that the only way or avoiding 3(c) is to somehow get it generally recognised that the Arab League boycott of Jewish Palestinian & Zionist goods is essentially a political matter (which it is), that it has no place in these discussions and should not be permitted to affect the drawing up of a code of rules for international commercial and economic behaviour (which is what the Charter is.) If they recognised that I.T.O. covered general economic principles and did not affect political issues on which decisions rested with the General Assembly of U.N., the Arab League countries might be persuaded to accept the Charter even with Article 23 in it. With this end in view it might be worth considering whether it is possible or advisable to raise the matter at the U.N. Special Assembly now meeting, or to have it considered by whatever Commission

6186

/is

C.T. Crowe, Esq., Economic Relations Dept., The Foreign Office.

is appointed by the Special Assembly.

7. A paragraph covering the points made in this letter was included in my original draft of telegram 425. Holmes however considered that the matter required further consideration here (perhaps when Helmore returns) and therefore substituted para.ll. This letter therefore represents a personal suggestion, but pending receipt by you of another telegram containing comments it may give you something to go on. Knowing the form here on these semi-political (or in this case wholly political) problems I rather think the "comments" mentioned in para ll will merely be a recommendation to postpone further any decision.

Yours ever

Tion

copyRIGHT OF THE PUBLIC RECORD OFFICE, LONDON

| 2 3 4 5 6 | Reference: FO 371 61862

1,

6 of your letter,

C.T.C.

F.W. Marten, Esq.M. U.K. Delegation to I.T.O.,

FOREIGN OFFICE, S.W.1.

28 May, 1947.

Dear Jums

Thank you for your letter M 17 of May 19th about the Arab League and Article 23.

You will have seen the letter from us to the Colonial Office suggesting that in the light of the replies we have had from Cairo, Damascus, Beirudt and Jedda to our original telegram that we think that H.M. Representatives are unlikely to get very far, and, in fact, may only do harm to I.T.O. prospects, by trying to tie up their approach to Article 23. line taken by the Lebanese Delegate in Geneva only confirms this view. If the Colomial Office and the Board of Trade still want to make representations we think they should be on more general lines.

let us have any further comments on I am not very happy at your proposal in paragraph 6 since a boycott is an economic measure however political the reasons for it may be. Thus if Article 23 were left in the Charter, I.T.O. would either ke have to crack down on the Arab states or let them off on political grounds which would make Suce every the sony extt could be justified in political grounds the Article meaningless. If the latter waxwould happen we would do better to drop the Artice Myte and if the former, we would be deceiving the Arab states which would be most unfavouruble.

I confess that I have no other alternative to offer and I can only suggest that you should

keep plugging away at the problem in Geneva and he hope that the Lebanese and the Syrians might be brought to a more reasonable state of mind or that some other way out may be found. The I

NG 21/5

your our (54) Colin browne

NOTHING TO BE WRITTEN IN THIS MARGIN.

OUI FILE

FOREIGN OFFICE, S.W.1.

(E4157/347/31)

282 hay 1947.

Dear Jem,

Thank you for your letter M.17 of 19th May about the Arab League and Article 23.

You will have seen the letter from us to the Colonial Office suggesting that in the light of the replies we have had from Cairo, Damascus, Beirut and Jedda to our original telegram that we think that His Majesty's Representatives are unlikely to get very far, and, in fact, may only do harm to International Trade Organisation prospects, by trying to tie their approach to Article 23. The line taken by the Lebanese Delegate in Geneva only confirms this view. If the Colonial Office and the Board of Trade still want to make representations we think they should be on more general lines.

As regards the alternatives in your letter, I am not very happy at the proposal in your paragraph 6 since a boycott is an economic measure however political the reasons for it may be. Thus if Article 23 were left in the Charter, I.T.O. would either have to crack down on the Arab states or let them off on political grounds which would make the Article meaningless since every other boycott could be justified on political grounds. If the latter were to happen we would do better to drop the Article altogether and if the former, we would be deceiving the Arab states which would be most undesirable.

I confess that I have no other alternative to /offer /offer

U.K.Delegation to International Trade Organisation, Geneva.

offer and I can only suggest that you should keep plugging away at the problem in Geneva in the hope that the Lebanese and the Syrians may be brought to a more reasonable state of mind or that some other way out may be found. I presume you will be discussing with Roger.

(C.T. Crowe)

THE PUBLIC RECORD OFFICE, LONDON 61862



UNITED KINGDOM DELEGATION TO PREPARATORY COMMITTEE

PALAIS DES NATIONS, GENEVA.

31st May, 1947.

Dear Colini,

Your letter E 4157/347/31, undated, to Tim Marten about the Arab League Boycott, and Article 23 of the Draft I.T.O. Charter.

I am somewhat puzzled by this letter because it makes no reference to Geneva Telegram 458 of the 21st May which contains the comments promised in Geneva Telegram 425. Ican only imagine that the letter was drafted before 458 arrived and took a particularly long time to go through the works.

I have discussed the question briefly with Stephen Holmes and we both feel that the formal position now is that the Delegation is awaiting reply to its Telegram 458. I have warned him that the reply may be along the lines of the third and fourth paragraphs of your letter but it should of course be sent officially in the Neutral series.

I hope myself that in the light of Geneva Telegram 458 it will be possible somewhat to modify the views expressed in the third paragraph of your letter. Surely the point is that because the boycott is prompted by political rather than economic considerations it would be improper to include any reference to it in the Charter or to discuss it at the Preparatory This would have to be made clear to the Arab States who would be told that they must take the text of the Charter as it is and if necessary be prepared to argue their case in favour of the boycott with the International Trade Organisation. It has already been suggested to them in the course of discussions (see Geneva Telegram 425, paragraph 7) that on technical grounds they might be able to argue that the boycott was not directed against the products of any specific Member country or countries. Whether or not this would be a valid argument must be for I.T. . to judge. I do not think that in putting the thing to them in this way we are deceiving them; and it would of course be quite impracticable to drop the Article altogether. Perhaps the proposed tactics are not altogether clear in Geneva Telegram 458 and it might be advisable in your reply to try to define them more specifically in the way I have outlined above. I certainly do not think a completely negative reply would get us very far.

Yours ever doger Frans.

Collin Crowe, Esq., Foreign Office.

32003 F.O.P.

E4393

72A

Tel) gedda 228

29 PayRepd) Begdad442

Caio 55 Sav.
Beint 340

Annan 208

Damascus 280

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1 2 3 4 5 6 Reference: FO 371/61862

[This telegram is of particular secrecy and should be retained by the authorized recipient and not passed on]

Cypher/OTP

CABINET DISTRIBUTION

FROM JEDDA TO FOREIGN OFFICE.

Mr. Grafftoy Smith,

D: 12.00 neen 17th May, 1947

No. 198 17th May, 1947.

R: 5.00 p.m. 17th May, 1947.

Repeated to Caire, Saving
British Middle East Office, Saving
Bagdad, Saving
Beirut, "
Jerusalem, "
Amman, "

AAAA

Restricted.

Your telegram No. 819 to Cairo.

Damascus

Palestine beycett.

I am still awaiting the opportunity for raising the matter informally with Sheikh Yusuf Yassin who is expected back in Jedda shortly. Representations to his underlings would be futile.

2. I have no (repeat no) expectation of a favourable reception of the arguments you suggest. Most probable result is a Saudi refusal to participate in International Trade Organisation. If the latter believes membership of this organisation carries the obligation to permit gold dealings in member's territory at official rates only, there is advantage to ourselves in not frightening Saudi Arabia off at this stage.

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No. Top Secret. Secret. Confidential. Your tel: no: 178 [May 17th: Restricted. Draft littercum Please post one action pending further instructions her code Swing 24 Say Chuman W Caving Damoscy

61862

NOTHING

THIS MARGIN

RESTRICTED.

Code R

DEPARTMENTAL No.2.

FROM FOREIGN OFFICE TO JEDDA.

No. 224

D: 9.00 a.m. 22nd May, 1947

21st May, 1947

Repeated to Bagdad No. 425, Cairo No. 53 Saving, Beirut No. 24 " Amman No. 11 "

Damascus No. 13"

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RESTRICTED.

Your telegram No. 178 [of May 17th: Palestine boycott.]

Please postpone action pending further instructions.

70

4164 347 31 E

EN CLAIR.

FILES.

FROM JEDDA TO FOREIGN OFFICE.

Mr. Grafftey Smith. No. 203.

D. 6.0 p.m. 24th May 1947.

24th May 1947.

R. 11.50 p.m. 24th May 1947.

W:W:W:W:W

Your telegram No. 224.

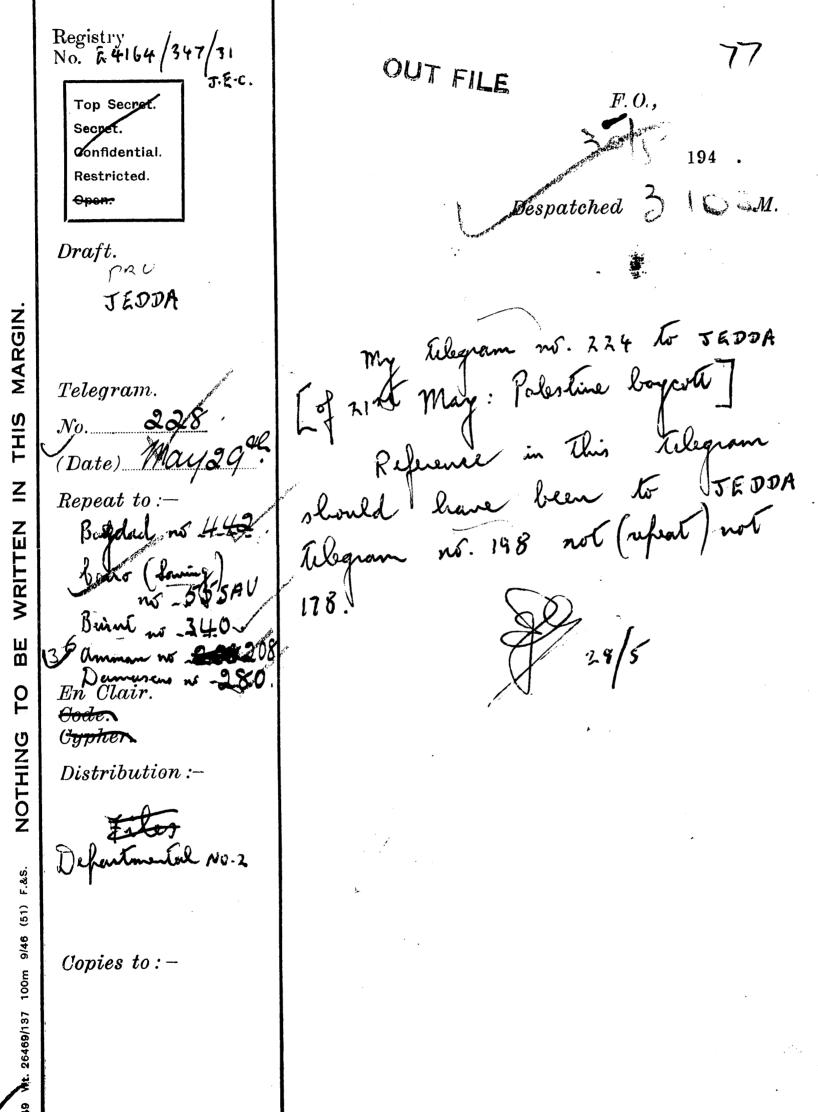
Please check and repeat reference.

repeat reference.

Reference:

61862

MAY



(E 4164/347/31)

En Clair

DEPARTMENTAL No. 2.

FROM FOREIGN OFFICE TO JEDDA.

No. 228.

D. 3.10 a.m. 30th May, 1947.

29th May, 1947.

Repeated to Bagdad No. 442, Cairo No. 55 Saving, Beirut No. 340, Amman No. 208, Damascus No. 280.

3 3 3 3

My telegram No. 224 to Jedda [of 21st May: Palestine boycott].

Reference in this telegram should have been to Jedda telegram No. 198 not (repeat not) 178.

(Action

completed.)

Next Paper.

4796

3 4 5 6 Reference: FO 371/61862

N. Deft 30th May, 1947

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or the planing lines. Nor do in think that proposed should

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usually unthitical for political reverse and to union

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that it was a phitical unther words / mem lat all

\$2003 F.O.P. John longests tomb of have to be hearted similarly.

This words make unioned / arter 23.

I think that there can he so doubt that togeths of any kind are contrary to article 1. I the charles of the U.N. .

If they, a the situation which provided them were to be brought before an agent please, it would have to be the the Assembly a the Security Council, her entanty had before a tody such as the fact finding committee appointed of the special Assembly.

hatte present once the boycott is a hundry of a literation which is abready under investigation. The fact finding lommittee may a may not consider the boycott as one of the factors affecting that situation. But I can also no reason why the 1.T.O. should all in its attitude towards boycotts because of that

Revised off herewith which can new 50 to Aft + CO. for cascurrence.

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ful ferend.

14, June

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New York. 1738

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Cypher/OTP

INTERNATIONAL TRADE DISTRIBUTION

FROM UNITED KINGDOM DELEGATION GENEVA TO FOREIGN OFFICE

No. 458

D. 6.32 p.m. 21st May 1947

21st May 1947

R. 7.40 p.m. 21st May 1947

5 4157/347

Repeated to Beirut
Caire
Damascus
New York (U.K. Del.)

YYYY

NEUTRAL SECRET

Foreign Office please pass to posts named.

My telegram No. 425

Arab League boycott.

This boycott of goods of Zionist origin is essentially a political matter and should in our opinion be dealt with by the appropriate political organ of United Nations (e.g. the Commission appointed by the Special Assembly). If it were generally accepted that it was outside the scope of I.T.O. and could be discussed elsewhere, the Arab League states might withdraw their objection to the general prohibition of boycotts as expressed in Article 23 of the Charter which is a code of commercial principles. This seems to us a possible solution of an issue on which a decision has merely been postponed and you may care to consider whether it is advisable to explore ways and means of attaining it.

- 2. For the rest position resulting from discussion reported in telegram under reference seems to us to be as follows:-
- (a) Text of Article 23, unless again challenged by Lebanese-Syrian Delegation (and possibly Indian Delegation) when it is reached in Charter consideration by the full Committee will stand subject to conditional reservation by Lebanese-Syrians (unless this is withdrawn).
- (b) Preparatory Committee should stand firm against any attempt to secure from it an opinion on the applicability of Article to any particular set of circumstances and insist that this would be the proper function of the Organisation (or Interim Trade Committee) when established.

- (c) If further attempt is made to secure amendment of same kind and on same grounds as last week we should oppose, or preferably simply side with majority, if necessary taking the line
 - (i) that introduction of an "essential vital interest" let out in this Article would be no more appropriate than in relation to any other obligation to be assumed by Members.
 - (ii) That introduction of political considerations is undesirable in agreement relating to tariffs and trade.
 - (iii) That both paragraphs of Article 35 are very widely drawn, giving any member the right of appeal to the Organisation in all matters affecting the operation of the Charter or in all situations having the effect of nullifying or impairing its objects, and that in extreme cases Article 37 (e) could be invoked.
- 3. Should be glad to learn whether above line is approved.

[Repeated to Beirut, Cairo, Damascus and United Kingdom Delegation New York].

Registry
No.E 4393/347/31

Top Secret.
Secret.
Confidential
Restricted.
Open.

Draft.

U.K. Delegation, Geneva

Telegram.

No. 693V

Repeat to :-

Beirut No. 372 Damascus No. 304 Cairo No. William New York (U.K. Delegation) No.

ER Dehl U.N. Dehl

EXXII. EXXII. Cypher.

Distribution :---

International Trade

Copies to:

Board of Trade)
Colonial Office)

for concurrence

Cohy Ma Parker & T Mu Figham C.O. OUT FILE

F. O.,

8

/ June 1947.

Desparched 7110 7 M

NEUTRAL SECRET

Your telegram No. 458 Cof 21st May: Palestine boycott and international trade negotiations.

It is agreed that you should, if necessary, take the line proposed in paragraph 2(c) of your telegram under reference.

- the question of the boycott is a suitable one for reference to the fact-finding committee on Palestine appointed by the United Nations Special Assembly. Terms of reference of that committee are admittedly very wide, but in relation to the whole Palestine problem, boycott is a side issue, and we do not think that any useful purpose would be served by bringing it before the committee, which will already be fully occupied in dealing with the fundamental issues involved.
- 3. Nor do we think that the question should be referred to any other U.N. agency. If, indeed boycotts are to be treated as political issues and if they or the situation which provoked them, are to be referred to the U.N. they would have to be brought before either the Assembly or the Security Council.
 - 4. Boycotts are in fact usually instituted/

•

lu no s instituted for political reasons and to remove
the Arab League boycott from the scope of the
International Trade Organisation on the ground
that it was a political matter would probably
mean that all future boycotts would have to
be treated similarly. This would make a nonsense
of Article 23.

14/6

HING TO BE WRITTEN IN THIS MARGIN.

11111 Reference: FO 371/61862

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E4393/347/31.

Cypher/OTP

INTERNATIONAL TRADE DISTRIBUTION

FROM FOREIGN OFFICE TO GENEVA.

(To United Kingdom Delegation)

No. 693.

June 14th, 1947.

D. 7.10.p.m. June 14th, 1947.

Repeated to Beirut No. 372.

Damascus No. 304.

Cairo No. 458.

U.K.Delegation New York No. 1738.

66666

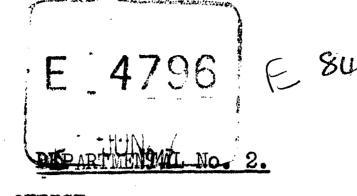
NEUTRAL.

SECRET.

Your telegram No. 458 [of 21st May: Palestine boycott and international trade negotiations.]

It is agreed that you should, if necessary, take the line proposed in paragraph 2 (c) of your telegram under reference.

- 2. We do not, however, consider that the question of the boycott is a suitable one for reference to the fact-finding committee on Palestine appointed by the United Nations Special Assembly. Terms of reference of that committee are admittedly very wide, but in relation to the whole Palestine problem boycott is a side issue, and we do not think that any useful purpose would be served by bringing it before the committee, which will already be fully occupied in dealing with the fundamental issues involved.
- 3. Nor do we think that the question should be referred to any other United Nations agency. If, indeed boycotts are to be treated as political issues and if they or the situation which provoked them, are to be referred to the United Nations they would have to be brought before either the Assembly or the Security Council.
- 4. Boycotts are in fact usually instituted for political reasons and to remove the Arab League boycott from the scope of the International Trade Organisation on the ground that it was a political matter would probably mean that all future boycotts would have to be treated similarly. This would make a nonsense of Article 23.



Cypher/OTP

FROM BAGDAD TO FOREIGN OFFICE

Sir H. Stonehewer Bird

No. 497

D. 10.30 a.m. 4th June, 1947.

4th June, 1947.

R. 2.20 p.m. 4th June, 1947.

Repeated to United Kingdom Delegation Gevena United Kingdom Delegation New York Jedda Saving Beirut Saving Damascus Saving Jerusalem Saving Amman Saving Cairo Saving British Middle East Office Cairo Saving

FFFF

RESTRICTED

My telegram No. 392. E Propher / 100 / 21

Boycott

Owing to pressure of work Prime Minister has only just been able to give consideration to aide mémoire on the subject of boycott. He has replied to Counsellor through Director General of Foreign Affairs regretting this is not a question on which Iraqi Government can afford to take action without agreement of all members of the Arab League.

- 2. Director General admitted that boycott was ineffective and was doing the Jews very little harm but the fact remained that it was regarded by Iraqi and Arab public opinion as one of the few weapons that could be used against the Zionists. Outcry would be terrific if any Arab Government abandoned it and Director General felt that there was no hope of this.
- 3. I fear that I can think of no method of persuading the Iraqis to abandon this attitude.

Foreign Office please pass to United Kingdom Delegation Geneva and United Kingdom Delegation New York as my telegrams Nos. 5 and 3 respectively.

[Repeated to United Kingdom Delegation Geneva and United Kingdom Delegation New York]

- X	371/	7		 - -	-	•	-
) !	Reference:	•				

Top Secret. Confidential. Restricted.

Draft. Elegran 15 Bagdad

No 5/4

Dat June

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Djil. no.

Immediale verbatched

A parliamentary question has been put down for the 23 rd June, in the following

Begins. To ask the Suntany of State for Freign Affairs if he is aware that the forement of Gray is refusing to allow goods to pass in transit though I may to Palistine; and what stips le proposes to take in order to prevent this clay on international trade. Endo.

immed what they whather may have by immediate telyram.

86

Cypher/OTP

DEPARTMENTAL NO. 1.

FROM FOREIGN OFFICE TO BAGDAD

No. 514.

D. 9.35. p.m. 19th June 1947.

19th June 1947.

IMMEDIATE

A parliamentary question has been put down for the 23rd June, in the following terms:

Begins: To ask the Secretary of State for Foreign Affairs if he is aware that the Government of Iraq is refusing to allow goods to pass in transit through Iraq to Palestine; and what steps he proposes to take in order to prevent this clog on international trade. Ends.

2. Please send me the facts, and any comment you may have, by immediate telegram.

[Copy sent to Middle East Secretariat.]

61862

RECORD OFFICE, PALESTINE

E 5145/347/31

Sir G.Clauson
Colonial Office.
to Mr. Garran

Dated 14th June, 1947. Received in Reg. 16th June, 1947

Arab Boycott

Refers to Foreign Office letters (E 3676/347/31) of 28th May and (E 4393/347/31) of 4th June enclosing proposed draft reply to Geneva telegram No.458.

Gives comments on question of Arab States joining the I.T.O. and dropping boycott or staying out and continuing same.

Last Paper.

4796

References.

Mr. Higham (Colonial Office) who concurred in the terms of our telegram to Geneva (E 4393), tells me that, in order to avoid any further delay, he did not wait for Sir G. Clauson's return. He will himself discuss this question with Sir Gerard.

(Minutes.)

(Print.)

(How disposed of.)

(J.E.Cable)
17th June

It is up to the Colonial Office to clear this up within their own department. If they want us to send a chaser to the telegram sent off on E 4393 no doubt they will let us know.

U.N. Department
E.R.Department

for obs.

how see (5382 from Latest views C1 28/6

h.s. Bein

(J.G.S.Beith)
17th June.

Apart from the views strongly expressed in para. 2 that the Arab States ought in due course to be faced squarely with the choice between coming into the International Trade Organisation and dropping the boycott or staying outside and continuing it, the additional observations in this letter do not seem to me to amount to much. Our telegram to Geneva, on E 4393, which in any case has already gone off, does not make the point so forcefully, but it does make quite clear that we are opposed to any modification of the boycott Articles in the I.T.O. Charter to admit of "political boycotts".

As regards para.4 of Sir G.Clauson's letter, we surely approve the proposal in para.2 (b) of telegram No.458 from Geneva (in E 4393) by implication. The Delegation only asked for the approval of the line indicated in para.2 (c).

31401 F.O.P.

In/

Reference: FO 371/61862

RECORD

OFFICE,

(Action completed.)

(Index.)

Next Paper.

E5355

In any case the points which Sir G.Clauson makes are not really Colonial Office points, and it does not seem to me that a chaser to this telegram is necessary.

(I.P.Garran) 19th June, 1947.

HB 24/6



Downing Street

S W.1.

14th June, 1947.

JULY

I have just come back from Geneva and have found here your unofficial letter to Trafford Smith No. E3676/347/31 of the 28th of May and your official letter No. E4393/347/31 of the 4th instant enclosing a draft reply to Geneva telegram No. 458 regarding the Arab boycott of Palestine.

I was brought into the discussion of this boycott question when I was in Geneva, and I took an extremely firm line on the subject when I was consulted. I said that I was quite certain that Article 23 of the Charter ought to be maintained in its present form and that the Arab States ought in due course to be faced squarely with the choice between coming into the International Trade Organisation and dropping the boycott or staying outside and continuing it. It is not, of course, for me to advise when the showdown should take place, but I do not think that we should leave the Lebanese-Syrians under the impression that a showdown will not take place some time.

I do not personally share the opinion quoted in your semi-official letter that Arab opposition to ITO would prejudice the prospects of getting the Organisation properly on its feet. It seems to me unrealistic to suggest that the success or failure of ITO depends on a few Arab States coming in or staying out. I agree that their initial impulse might be to refrain from coming in, but I doubt if they would stay out for long when they found precisely what that kind of sojourn in the wilderness really meant.

Turning

P. Garran, Esq.

S 6 Reference: FO

371/61862

88A

Turning now to the draft enclosed in your official letter, we agree with the first paragraph, but would have thought that you might equally approve the proposal in paragraph 2(b).

As regards paragraph 2 of your draft, while I admit that the wording of the Geneva telegram is a bit obscure, I rather doubt whether it was intended to mean that the Arab League boycott should now be raised with the appropriate political organ of the United Nations. I quite agree that it would be well to make it clear that they do not wish to raise the question of the boycott now with the Fact Finding Committee.

As regards paragraph 3, I should have thought that the right thing to say was that we do not think that the question of the boycott should be referred by us to any other United Nations agency either now or later. might go on to say that we think that the Article should be maintained in its present form, that no comfort should be given to the Lebanese-Syrians in the form of a hint that when the Charter had entered into force they could evade the provisions of Article 23 by saying that the boycott was political and not economic, and that they should be faced squarely with the choice between the advantages of being members of the International Trade Organisation and obeying the rules, and the disadvantages of not being members and doing what they like. If this leads to their making a reservation it is just too bad, but it does not seem to us to matter in the last resort.

Reference: FO 371 6186

This



This would lead nicely to your paragraph 4 with which I am wholeheartedly in agreement, though I do not think that it was the intention at Geneva to suggest that if the Arab League boycott continued after the Charter entered into force the I.T.O. should refuse to take cognizance of it.

Lours ever

Guart Cour

(Sir Gerard Clauson)

Reference: FO 371/6186

371/61862

2.1

61862

FROM BAGDAD TO FOREIGN OFFICE

Sir H Stonehewer Bird No: 575

D.9.30 a.m. 20th June 1947

20th June 1947

R.12.50 p.m. 20th June 1947

44444

IMMEDIATE

5355

CONFIDENTIAL

ENT.

Palestinian boycott.

Your telegram No: 514.

Decision was made about a month ago by higher supply Committee to the effect that no (repeat no) goods shall pass through Iraq from any source in transit to Palestine. This decision has not been made public and is enforced by means of internal administrative order within Customs Department.

- 2. Most goods in transit to Palestine were consigned from Persia and this decision was made when Iraqis discovered that the goods destined for Palestine from Iraq were being sent to Persia and they will be consigned from there as of Persian origin. British Inspector General of Iraqi Customs informs me that the order is being very strongly enforced and that there is no way of evading it.
- 3. Transit trade from Iraq to Palestine in 1946 amounted to Iraqi dinars 278,000.
- 4. I consider that there is no hope of persuading the Iraqi Government to rescind this decision (see my telegram No:497).



61862

I attach a minute of his meeting or had with Ares day its arak a time offs to fenera, do i a denit. I suggest or send the letter to Meather them findfor his comments before on send the other letters off.

9 agree.

7. P. 4.0 Minute. 6. Brown 26/6 Parker & Brown 27/6

2h3. 23/2

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M. Martin d. K. Dol fenera kran Wibrowl enc

Registry No.

> Top Secret. Secret. Confidential. Restricted.

C.T.C.

Open-

27/6

Draft.

Chancery letter to Beirut,

Copy to:-

Damascus Cairo, U.K. Delegation, New York.

[Surprised

June, 1947.

Dear Chancery,

With reference to Geneva telegram No. 756 of June 21st about the Arab League boycott and I.T.O. we enclose a copy of a letter to Geneva and a minute of the meeting From Eastern Dept. | with Mousa Bey Mobarak which are selfexplanatory. We shallbe grateful for your views on the likelihood of an approach to the Arab Governments later in the year being successful. / We are sending copies to Damascus, Cairo and U.K. Delegation, New York.

Yours wer. Eastern Dys.

61862

OFFICE,

INTERNATIONAL TRADE DISTRIBUT

FROM UNITED KINGDOM DELEGATION GENEVA TO FOREIGN OFFICE

No:756

D.11.30 a.m. 21st June 1947

21st June 1947

R.1.15 p.m. 21st June 1947

Repeated to Beirut

Dama scus Cairo (Embassy)

United Kingdom Delegation New York 5322

4 4 4 4

23 M JUN

IMMEDIATE

SECRET

NEUTRAL

Eunlanki

Foreign Office please pass Important to Posts named.

Your telegram No:693: Arab League boycott.

We have discussed this with Harpham (late Commercial Secretary in Beirut) who is at present in Geneva.

- 2. We note that you do not regard the boycott as a suitable matter for reference to the Fact-Finding Committee for the reason given in your paragraph 2. We would emphasise that we suggested it not because we thought it would result in a solution of the problem but because it seemed to provide a means whereby Lebanon-Syria could be reconciled to the inclusion of the present Article 23 in the Charter.
- 3. We are not sanguine that the arguments in paragraph 2(c) of our telegram will prevail on the Lebanese and Syrians here in Geneva, since they seem committed to the other Arab League countries either to secure deletion, or amendment in the sense they desire, of Article 23 or to maintain the reservation they made at Church House and at the drafting Committee in New York. As far as this Geneva meeting is concerned the probable outcome therefore is that the reservation will be maintained and the whole question shelved for consideration by the World Conference.
- 4. While it is conceivable that this delay might not prove disadvantageous, it seems to us likely that it will land us in an awkward situation, all the more so because here at Geneva we are dealing only with Lebanon-Syria, which are relatively reasonable and tractable, whereas at the World Conference the probability is that we shall have the whole Arab bloc headed by an intransigent Egypt.
- 5. At the World Conference we might ultimately be faced with the alternatives :-
- (a) Article 23 will stand part of the Charter but the Arab League countries would agree to join I.T.O. only on the condition that they are permitted to enter a formal reservation with regard to it. We doubt whether other members of the World Conference would permit this and we are clear that

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RECORD OFFICE, LON DON 00 9

they would be ill-advised to do so as (on the assumption that there are no other reservations in prespect) it would create a dangerous precedent.

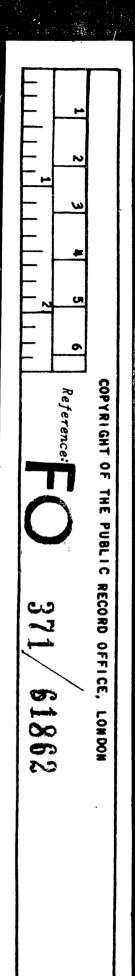
- (b) Article 23 will stand part of the Charter and the Arab League countries will not join I.T.O. when Mobarak and Jabbara saw Holmes (see paragraph 3 of our telegram No: 425) they professed that this would be the outcome unless they could secure deletion or amendment of Article 23.
- 6. The probable result in these circumstances would be that the Arab League countries would remain outside I.T.O. We imagine that as our political and physical hold on the Middle East diminishes we shall wish to improve and extend our economic position in the Arab League countries. If we are members of I.T.O. and they are not, the conditions for achieving this aim will be considerably more unfavourable than they would be otherwise.
- 7. Hence our desire to find a way in which the Arab League representative on the Preparatory Committee could withdraw from the extreme position which, at the League's instructions, it has hitherto adopted. We have again reviewed the possible ways of tackling this problem:-
- (a) Further representations through diplomatic channels in the countries themselves. The various replies to Foreign Office telegram No:819 to Cairo of 19th April makes it plain that this is unlikely to produce the desired result.
- (b) Deletion of Article 23 from the Charter. There is something to be said for this, as it can be held that the trading rights of members in the territory of other members are substantially safeguarded by Article 14 (general most-favoured-nation treatment) article 15 (national treatment) Article 16 (freedom of transit) and other Articles of the commercial policy chapter. Re-dress for contravention of these articles can be had by recourse to Article 35, which also provides for consultation in cases where a member considers that its interests are injured by the action of another member. We doubt however whether other members of the Preparatory Committee would agree to this on the grounds (1) that Article 23 provides the only explicit safeguard in the Charter against officially-sponsored campaigns designed to reduce consumption of imports from a particular member and (11) that they would not wish to appear to give way to the Arab League countries on this point. For views expressed in discussion here see paragraphs 5 to 7 of our telegram 425.
- does not apply to the Arab League boycott of Zionist goods, on the grounds mentioned in paragraph 7 of our telegram 425. The argument that Palestine would not be a member country as such does not seem to us valid while United Kingdom remains the mandatory power, since under Article 88 the United Kingdom will accept the Charter "in respect of its metropolitan territory and of any other territory for which it has international responsibility" (except adjuncts proper) i.e. we should be accepting in respect of Palestine. The other argument (that the boycott is directed not against the goods of a territory but of a group) also seems fallacious because its practical effect would be to discourage the consumption of the products of a member country (the United Kingdom /

Kingdom, in so far as United Kingdom membership includes Palestine) in the territories of other members (the Arab League countries). The United Kingdom would be bound to protest against this contravention of Article 23.

- (d) Some formula which, however unsatisfactory in itself, would have the effect of removing "political" boycotts from the scope of I.T.O., thereby enabling the Arab League countries to accept the Charter with Article 23 still in it.
- 8. Meharak is visiting England as the guest of the British Council, leaving Geneva according to present plans on Monday 25rd June, it occurs to us that this would provide an excellent opportunity for him to be seen on the question on the question of the beycott. We imagine that you would not feel able to evolve anything on the lines of paragraph 7(d) above but you may be able to make something of paragraph 2(c) of our telegram No:450, and this put to him in London might be more effective than a similar approach here and would at any rate do no harm. Harpham has given Mobarak a letter of introduction to Greenhill, but beyond this we leave you to make any further arrangements you may consider desirable for interviewing Mobarak on the subject of the Arab League beycott.

[Repeated to Beirut, Damascus, Caire, United Kingdom Delegation New York].

7. Beely. bonds que have a look at this which has judt annet fin lli Do.T. I have to Co to a weeling und but I all mig zu Soul-Mr. hour. In marginel ummunti, minute on E 5382. His 24



No. Telen WHITEHALL 5140. Any reply to this communica-

tion should quote the following reference:

Your Ref.....



BOARD OF TRADE,

MILLBANK,

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LONDON, S.W.1

25th June, 1947.

Dear Crowe,

I am enclosing a copy of a note which I have produced for use in connection with the meeting which has been arranged here in McGregor's room, at 10.30 a.m. on Friday morning, with Mousa Bey Mobarak.

I shall be glad if you would let me know as soon as possible if the Foreign Office have any points on this note. should then also like to discuss with you, in the light of the telegrams which have come in from Geneva, about this visit, whether the Foreign Office would, after all, wish to be represented at our meeting with this gentleman.

Yours sincerely,

C.T. Crowe, Esq., Foreign Office, Whitehall,

THE PUBLIC OFFICE, LONDON 00 9

Note on I.T.O. points arising in connection with the visit of Mousa Bey Mobarak to C.R.T. Department

It is not at all clear whether Mobarak will take any initiative to raise I.T.O. points with the Department when he comes to see us on Friday. Telegram No. 756 from Geneva suggests, that this visit would provide an excellent opportunity for us (and/or the Foreign Office) to raise with him the question of the Arab League boycott in relation to Article 23 of the Draft Charter. other hand there is a suggestion in a later telegram from Geneva (No. 773) (presumably drafted by Mr. Harpham) that Mobarak will not wish to raise I. T.O. matters with us in London. On the whole, it is suggested that we in the Board of Trade should take no initiative as regards the Arab League boycott unless Mobarak raises the matter with us. In any case, it is, of course, important that we should maintain the general principle that discussion on Charter matters should at this stage be confined to Geneva. We should not, therefore, if it can be avoided, give Mobarak any opportunity to assume that he will have any success in re-opening here issues which have been discussed in Geneva and on which either provisional agreement has been reached there or on which a decision has been deliberately deferred until the World Conference.

- 2. The two points on the I.T.O. Charter discussions which Mobarak is likely to raise with us are:-
 - (a) the possible extension of existing preferential areas and the creation of limited free trade areas, short of full Customs Unions,
 - (b) the relevance of Article 23 ("Boycotts") of the draft I.T.O. Charter to the Arab League boycott of Zionist goods.

Regional Preferences

- 3. As regards regional preferences the general position is that the charter as at present drafted recognises the status of -
 - (a) full Customs Unions (Article 38(2))
 - (b) arrangements to facilitate frontier traffic (Ibid)
 - (c) existing preferential arrangements (which are, however, to be "eliminated" by negotiations) (Article 24).

In addition the Charter provides (Article 38(4)) that "there may in exceptional circumstances be justification for new preferential arrangements requiring an exception to the principles of Ch.V" It is now proposed in Geneva that this paragraph should be amended as shown below and should become a new paragraph 3 to Article 14.

- The Members recognise that there may be justification for new preferential arrangements, including arrangements among members belonging to an economic region, having in view the development of industries which would otherwise be handicapped by the lack of a sufficiently large market, and that in exceptional circumstances the Organisation may approve a departure from the provisions of this Article. Any such exception shall be considered by the Organisation in the light of the relevant provisions of this Charter, the considerations presented by the Members contemplating the arrangement, the views presented by other Members which would be substantially affected by the proposed arrangement and such criteria as to productivity and other factors as the Organisation may establish, taking into account the stage of economic development or reconstruction of the Members concerned."
- Lebanese pressure for the recognition of the right to form new regional preferential arrangements, as far as that desire can be met without introducing into the Charter provisions which are inconsistent with its general purposes. The Lebanese are apparently not satisfied with this recognition (which would appear to them grudging and hedged around with conditions) of their right to form preferential arrangements with their co-Members of the Arab League. We should, however, if necessary refer to this new Article 14(3) as the utmost limit to which we think it is reasonable to go in meeting this point about new preferences.

5. The Boycott Article

The question of the "Boycotts" Article of the Charter is more difficult. The relevant Article (23) reads as follows:-

"No Member shall encourage, support or participate in boycotts or other campaigns which are designed to discourage directly or indirectly the consumption within its territory of products of any specific Member country or countries on grounds of origin, or the sale of products for consumption within other Member countries on grounds of destination"

The main purpose of the Article is to prohibit boycotts with an economic purpose, i.e. as a substitute for tariff protection or quantitative restrictions. It is clear that there is a case on merits for some provision of this kind. There has been considerable difficulty in deciding how far this embargo on boycotts should go (e.g. whether a Government-sponsored campaign to smoke less tobacco is reprehensible or not under the terms of the Article).

- 6. The representatives of Syria and the Lebanon claim, however, that the provisions of Article 23 do not or should not apply to the boycott which the Arab League States are maintaining on Zionist goods. To meet this difficulty various solutions have been proposed.
 - (a) The total exclusion of the Article from the Charter There is something to be said for this course, since, as many boycotts are political rather than economic in character, there is a real danger that the retention of this Article may bring "irrelevant" political considerations into the I.T.O. field. On the other hand, a number of influential countries feel that the Boycott Article should be retained in something like its present form and would resent surrender on this point in the face of Arab League pressure
 - (b) An arrangement of the Article to exclude "political boycotts" from its scope. Apart from general objections to a reservation of this kind, it has not so far been possible to draft a satisfactory saving clause?
 - (c) A general "saver" to make the Article inoperative "in exceptional circumstances" to be determined at the discretion of the party imposing the boycott. A proviso of this kind might provoke similar amendments to other articles of the Charter to which various countries take objection for one reason or another. Any such tendency might well undermine the structure of the Charter to an irreparable extent.
 - (d) A reservation by a particular country or by particular countries to the Article. There are real and obvious dangers about this course which would be an open invitation to other countries to register similar reservations.
- 7. The present position is that the Lebanon delegates have asked for deletion of the Article and are meanwhile taking up position (d). It is probable that the issue will not be decided during the present round at Geneva, i.e. that the Article will stand part of the Charter and that Lebanon will maintain its reservation. In some ways this is satisfactory, but it is clear that the issue will almost certainly arise in more acute form at the World Conference when other Arab League countries, including Egypt, may be expected to press strongly for the deletion or amendment of this Article.
- 8. The present attitude of the U.K. Delegation at Geneva is to stand firm on the Charter text, at least until some acceptable amendment has been put forward. In the meantime, they are referring the Lebanon to the nullification and impairment provisions of the Draft Charter (Article 35) and to the provisions of Article 37 (e) permitting the adoption or enforcement by any Member of measures inconsistent with Ch.V of the Charter "in time of war or other emergency in international relations, relating to the protection of the essential security interests of a Member". The precise proposals which the U.K. Delegation in Geneva suggested in Telegram No. 756 Neutral from Geneva to Foreign Office that we might explore with Mobarah was this suggestion that the general nullification and impairment provisions of the Draft Charter and in exceptional cases "the general escape clause" to Ch.V should be adequate safeguards to permit the Arab League States to take the action which they consider necessary in relation to Zionist goods without committing a fundamental breach of the provisions of the

Draft Charter. The Geneva Delegation feel that an approach to Mobarak on these lines in London might be more effective than a similar approach there and would, at any rate, do no harm.

- 9. There is an alternative approach to this problem which has been considered to some extent in Geneva and has not found favour there. It could be argued that the Arab League boycott would not fall within the terms of Article 23 of the Draft Charter provided that it were directed, in form at least, against Zionist goods, as such, from whatever source consigned, as distinct from goods imported from a specific country (i.e. Palestine). From the point of view of the U.K. this would be an embarrassing solution because we would probably feel obliged to raise the matter with I.T.O. on the grounds that there was an effective boycott of goods produced in a territory for which the U.K. has international responsibility. But provided the Arab League boycott did not operate on a territorial basis it is by no means clear that our objection could be sustained.
- 10. The Lebanese delegates at Geneva are taking the line that it will be impossible for them to join I.T.O. if they do not receive satisfaction on Article 23. It would obviously be most undesirable that the Arab League States should remain outside I.T.O. for this reason and it will certainly be necessary to find some means of satisfying the Lebanon and other Arab countries on this point. It seems very doubtful whether they will accept the existence of Articles 35 and 37 (e) as sufficient safeguard to meet their difficulties about this matter. It may be expected that certain other countries (notably India) will support the Arab League case on this point. From the point of view of the U.M. the best solution might be to omit the Article from the Charter altogether; it dertainly is not vital to our interests. On the other hand, as indicated above there may well be considerable opposition from other quarters to this proposal. In all the circumstances it would appear to be inadvisable for us to take the initiative in tackling this issue with Mobarak in London but if he raises the matter we might follow the suggestion put forward by Geneva and attempt to convince him that Article 23 as drafted would not, in the context of the other Charter provisions referred to above, provide any real obstacle to acceptance of the I.T.O. Charter by the Lebanon and the other Arab League States.

25th June, 1947.

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Confidential. C.T.C. Restricted. Open. 27/6 Draft. Mr. Parker, Board of Trade. (fra of: Crown)

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Dear Parker

As you know Mousa Bey Mabarak came to see Beeley and me at the Foreign Office on Friday and I enclose a copy of the minute of the meeting and of the draft letter that I propose to send to Tim Marten, which are, I think, selfexplanatory. I would be grateful for your comments.

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Yours sincerely HB. 29/6 (Sed.) C. T. Coux.

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PURRIOR OFFICE, S.W.1.

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let July, 1947.

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I would be grateful for your commonts.

I am sending a copy of this to Clauson.

Yours sincerely

(Sqd.)(C.T. Crowe)

G. Parker, Esq., Board of Trade.

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Draft.

Mr. F.W.Marten, M.C. J.K.Delegation, Geneva /to I.T.O.

From Mr.C.T.Crowe.

FOREIGN OFFICE, S.W.1.

July, 1947.

Your telegram No. 756 about the Arab League boycott and the visit of Mousa Bey Mobarak to the U.K.

who talked the matter over with Harpham we came to the conclusion that it would be preferable if we did not take the initiative in raising the matter with Mousa Bey Monarak when he was here. At the end of his interview with the Board of Trade, however, in which they talked about Anglo-Lebanese trade questions Mousa Bey Mobarak expressed the wish to come to the Foreign Office and so Beeley and I saw him on Friday June 27th. I enclose a copy of a minute I did of the meeting.

I imagine there will be nothing new for you in his views on the question of regional preferences and there does not seem to be any You will see that Mobarak action required. studiously kept away from the boycott question and when we did raise it took the line that he hoped this would be less pressing by the time we came to the World Conference. We are inclined to share this hope, but I am afraid it is not something on which we can rely. It seems to us that we should not try and take any further initiative on this matter at the moment, but we might bear in mind the desirability of further representations in the Arab capitals before we come to the World Conference. Our previous representations were aimed at persuading the Arab Governments to call off the It was not surprising that we failed. boycott. We might perhaps have some success later in the

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(especially if the United Nations Assembly gets somewhere in Palestine) with a more limited objective using the arguments in paragraph 2(c) of your telegram No.458.

As for the other alternatives given in your telegram No.756 we confess that we are in some difficulty. The most satisfactory course would probably be, as you suggest, to delete the whole clause, but it seems unlikely that the other countries will agree. If this and the approach to the Arab countries both fail we might try and produce some formula to remove political boycotts from the scope of I.T.O., though I still think that this would provide a let-out for every boycott and would make & nonsense of Article 23. Our general view here, however, is, that, since we are unlikely to get any further at Geneva, we should leave the matter over for further discussion when the Delegation return.

We are sending copies of this letter and minute to the people to whom you repeated your telegram No.756 and we would welcome their preliminary views on the likelihood of a further approach at a later date succeeding.

Parker has agreed this letter and you may perhaps wish to circulate it to the delegation.

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Mr., Marten, A U.K. Delegation, Geneva.

From Mr. Crowe.

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June, 1947.

Your telegram No. 756 about the Arab League boycott and the visit of Mousa Bey Mobarak to the U.K. After discussion with the Board of Trade who talked the matter over with Harpham we came to the conclusion that it would be preferable if we did not take the initiative in raising the matter with Mousa Bey Mobarak when he was here. At the end of his interview with the Board of Trade, however, in which they talked about Anglo-Lebanese trade questions Mousa Bey Mobarak expressed the wish to come to the Foreign Office and so Beeley and I saw him on Friday June 27th. I enclose a copy of a minute I did of the meeting. /As regards the question of regional preferences I imagine there will be nothing new for you in all this and there does not seem to be any action required. You will see that Mobarak studiously kep away from the boycott question and when we did raise it took the line that he hoped this would be less present by the time we came to the World Conference. We are inclined to share this hope, but/it is not something on which we can rely. wis that we dhould not try and take any further initiative on this matter at the moment, but we might bear the desirability in mind of further representations lves before we come to the World Conference. Our previous representations were aimed at persuading the Arab

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As for the other alternatives given in your telegram No. 756 we confess that we are in some difficulty. The most satisfactory course would probably be, as you suggest that the whole clause, should be deleted but it seems unlikely that the other countries will agree. If this and the approach too the Arab countries both fail the next ty when to have some formula to remove policital boycotts from the scope of I.T.O. though I still think that this would provide a let-out for every boycott and would tend to make a nonsense of Article 23. Our general view here, however, is that since we are unlikely to get any further at Geneva, that we should leave the matter over for further discussion when the Delegation return.

We are sending copies of this letter and minute to the people to whom you repeated your telegram No. 756 and we would welcome their preliminary views on the likelihood of a further approach at a later date succeeding.

Parker has agreed the terms of this letter and you may/circulate it to the celegation.

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Your telegran No. 766 about the Areb
League baycott and the vinit of Monea Boy
Mobarek to the U.R.

Mr. F.W. Marten, M.C. U.K.Delegation, Geneva Zto I.T.C.

From Mr.C.T. Crows.

who talked the matter over with Harphan we came to the conclusion that it would be preferable if we did not take the initiative in raising the matter with Mouse Bey Monarak when he was here. At the end of his interview with the Board of Trade, however, in which they talked about Anglo-Labanese trade questions Mouse Bey Mobarak expressed the wish to come to the Foreign Office and so Beeley and I saw him on Friday June 27th. I exclose a copy of a minute I did of the meeting.

I imagine there will be nothing now for you in his views on the question of regional preferences and there does not seem to be any action required. You will see that Mobarak studiously kept away from the boycott question and when we did raise it took the line that he hoped this would be less pressing by the time we come to the World Conference. We are inclined to share this hope, but I am afreid it is not something on which we can rely. It seems to us that we should not try and take any further initiative on this metter at the moment, but we might bear in mind the desirability of further representations in the Arab capitals before we come to the World Conference. provious representations were aimed at persuading the Arab Governments to call off the It was not surprising that we failed. boyeott. We might perhaps have some success later in the /year

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Draft.

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June, 1947.

Mousa Bey Mobarak saw the Board of Trade this morning to discuss the question of Anglo-Lebanese trade. At the end of the meeting he expressed a wish to come to the Foreign Office and he accordingly saw Mr. Beeley and myself.

Mousa Bey Mobarak did not as we expected, wish to talk about the question of Article 23 and the Arab League boycott at all but rather to expound the Arab League case for regional preferences. Mobarak did not say anything new. The burden of his remarks was that the Arab States were poor countries, that they had but recently been parts of one state, and that it was essential for them to trade among each other. They would not be able to adhere to the Chatter unless there was some provision in it which allowed for regional preferences between the members of the Arab League. He went on to say that some such provision would be very much in the United Kingdom's interest. The Arabs were good merchants; they were prepared to sell their raw materials to Europe and they would also/dollars from their pipeline and oil. Europe would not be able to supply goods for some time yet and the Arabs being the merchants would inevitably turn to the source from which they could obtain goods, namely the United States. Once the old trade relations with the U.K. and Europe were broken it would be difficult to re-establish them. The United Kingdom had great/

and should do all it could to help the Middle
Eastern countries. (This second argument, however,
does not necessarily follow) since while it might
be possible for the Arab states to institute
regional preferences among themselves their being
able to discriminate between Europe and America
is a very different matter.)

Mouse Bey Mobarak went on to say that he had discussed this fully with Mr. Helmore and other members of the U.K. Delegation in Geneva who were aware of his views and they had apparently explained that while we were committed to the Americans in the matter of preferences they would welcome his putting forward the Arab point of view. Mousa Bey Mobarak said that unfortunately Lebanon was a small country and did not carry much weight with the Americans unless they could obtain U.K. and French support. He went on to say that he knew the question was still being considered in sub-committee at: Geneva with a view to producing a compromise, he hoped he would be able to accept this himself, but he was doubtful whether he would be able to carry his Government and the Governments of the other Arab states.

He was at pains here, as throughout, to point out that he himself was moderate but that there were a lot of wild men and extreme nationalists in the other Arab states and that we would not have such an easy time at the World Conference. He also pointed out that Lebanon was the only Christian state in the League and that they often

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had/

We did not enter into discussion with

Mousa Bey Mobarak nor indeed did he expect it.

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tariffs and preferences not to start a whole

new set of them. We said he could be sure that

we were anxious to do what we could for the

Arab countries.

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As he was leaving I said that I hoped he would be able to agree with us that the position of the Arab League as regards the Zionis boycott was already sufficiently covered in Articles 3% and 37(e) of the Charter and that when he returned to Syria he would be able to persuade the people of this. He smiled wryly and seemed dubious. He expressed the hope that, by the time of the World Conference, some solution of the Zionist problem might be in sight and that the boycott might not then be such an active issue.



MINUTE.

Mousa Bey Mobarak saw the Board of Trade on Friday, 27th June to discuss the question of Anglo-Lebanese trade. At the end of the meeting he expressed a wish to come to the Foreign Office and he accordingly saw Mr. Beeley and myself.

Mousa Bey Mobarak did not, as we expected, wish to talk about the question of Article 23 and the Arab League boycott at all but rather to expound the Arab League case for regional preferences. Mobarak did not The burden of his remarks was that say anything new. the Arab States were poor countries, and they had but recently been parts of one state, and that it was essential for them to trade among each other. would not be able to adhere to the Charter unless there was some provision in it which allowed for regional preferences between the members of the Arab League. He went on to say that some such provisions would be very much in the United Kingdom's interest. The Arabs were good merchants; they were prepared to sell their raw materials to Europe and they would also have dollars from their pipeline and oil. Europe would not be able to supply goods for some time yet and the Arabs, being merchants, would inevitably turn to the source from which they could obtain goods, namely the United States. Once the old trade relations with the U.K. and Europe were broken it would be difficult to re-establish them. The United Kingdom had great prestige and interests in the Middle East and should do all it could to help the Middle Eastern countries. (This second argument, however, does not necessarily follow from this first, since while it might be possible for the Arab states to institute regional preferences among themselves their being able to discriminate between Europe and America is a very different matter.)

Mousa Bey Moharak went on to say that he had discussed this fully with Mr. Helmore and other members of the U.K. Delegation in Geneva who were aware of his views and they had apparently explained that while we were committed to the Americans in the matter of preferences they would welcome his putting forward the Mousa Bey Mobarak said that Arab point of view. unfortunately Lebanon was a small country and did not carry much weight with the Americans unless they could obtain U.K. and French support. He went on to say that he knew the question was still being considered in subcommittee at Geneva with a view to producing a compromise, he hoped he would be able to accept this compromise himself. but he was doubtful whether he would be able to carry his Government and the Governments of the other Arab states.

He was at pains here, as throughout, to point out that he himself was moderate but that there were a lot of wild men and extreme nationalists in the other Arab states and that we would not have such an easy time at the World Conference. He also pointed out that Lebanon was the only Christian state in the League and that they often had to fall in with policies with which they did not themselves agree or which indeed, as in the case of the boycott, were against their own interests.

Mobarak nor indeed did he expect it. We pointed out that our delegation in Geneva were fully aware of the views of the Arab League and that they were doing their best to meet them, but that he must realise that this was a cardinal point with the Americans and that the purpose of the Conference was to reduce tariffs and preferences not to start a whole new set of them. We said he could be sure that we were anxious to do what we could for the Arab countries.

As he was leaving I said that I hoped he would be able to agree with us that the position of the Arab League as regards the Zionist boycott was already sufficiently covered in Articles 35 and 37(e) of the Charter and that when he returned to Syria he would be able to persuade his people of this. He smiled wryly and seemed dubious. He expressed the hope that, by the time of the World Conference, some solution of the Zionist problem might be in sight and that the boycott might not then be such an active issue.